



STRATEGIC PLAN

Fiscal Years 2001 - 2005



Strategic Plan

2001-2005

Members

Allan Shivers, Jr., Chairman
John T. Steen, Jr., Member
Gail Madden, Member

Term of Office

December 20, 1995 - November 15, 2001
January 26, 1998 - November 15, 2003
April 14, 2000 - November 15, 2005

Hometown

Austin
San Antonio
Dallas

Date of Submission:

June 1, 2000

Statewide Vision, Mission and Philosophy

(As Adopted by the Governor in February 2000)

Statewide Vision

“Together, we can make Texas a beacon state:

a state where our children receive an excellent education so they have the knowledge and skills for the 21st century;

a state where people feel safe in their communities, have access to equal justice, and all people know the consequences of committing a crime are swift and sure;

a state where our institutions encourage jobs and economic opportunity;

a state where each resident accepts responsibility for his or her behavior; and

a state where our people - our greatest resource - are free to achieve their highest potential.

As I have said before, I envision a state where it continues to be true that what Texans can dream, Texans can do.”

Statewide Mission

The mission of Texas state government is to support and promote individual and community efforts to achieve and sustain social and economic prosperity for its citizens.

Statewide Philosophy

State government will be ethical, accountable, and dedicated to serving the citizens of Texas well. State government will operate efficiently and spend the public's money wisely.

State government will be based on four core principles that will guide decision-making processes.

Statewide Vision, Mission and Philosophy

(As Adopted by the Governor in February 2000)

Limited and Efficient Government

Government cannot solve every problem or meet every need. State government should do a few things and do them well.

Local Control

The best form of government is one that is closest to the people. State government should respect the right and ability of local communities to resolve issues that affect them. The state must avoid imposing unfunded mandates.

Personal Responsibility

It is up to each individual, not government, to make responsible decisions about his or her life. Personal responsibility is the key to a more decent and just society. State employees, too, must be accountable for their actions.

Support for Strong Families

The family is the backbone of society and, accordingly, state government must pursue policies that nurture and strengthen Texas families.

Texas state government should serve the needs of our state but also be mindful of those who pay the bills. By providing the best service at the lowest cost and working in concert with other partners, state government can effectively direct the public's resources to create a positive impact on the lives of individual Texans. The people of Texas expect the best, and state government must give it to them.

Applicable Statewide Functional Goals and Benchmarks

Public Safety and Criminal Justice

Priority Goal: To aid communities in times of need, police public highways, and protect Texans from crime by holding individuals accountable for their unlawful actions through swift and sure punishment.

Benchmarks:

- Annual Texas Crime Index rate
- Number of traffic deaths per thousand
- Juvenile violent crime arrest rate
- Average rate of juvenile reincarceration within three years of initial release
- Adult violent crime arrest rate
- Felony probation revocation rate
- Texas' average annual incarceration cost per inmate
- Parole rate
- Revocation rate for those released from prison
- Percent of Texas communities covered by current disaster prevention/recovery plans
- Number of hours Texas Guard members spent in training and/or protecting and aiding Texans in times of need

Economic Development

Priority Goal: To foster economic opportunity, job generation, and capital investment by promoting a favorable business climate, preparing the workforce for productive employment, and supporting infrastructure development.

Benchmarks:

- Per capita gross state product
- State taxes per capita as a percent of personal income
- Texas employment rate
- Median household income
- Net number of new non-government, nonfarm jobs created
- Number of new small businesses created
- Highway system quality rating
- Texas Housing Affordability Index

Applicable Statewide Functional Goals and Benchmarks

General Government

Priority Goal: To support effective, efficient, and accountable state government operations.

Benchmarks:

- Total state taxes per capita
- Total state spending per capita
- Percentage change in state spending, adjusted for population and inflation
- State and local taxes per capita
- Ratio of federal dollars received to federal tax dollars paid
- Number of state employees per 10,000 population

Texas Alcoholic Beverage Commission Mission Statement and Guiding Philosophy

Our Mission

The mission of the Texas Alcoholic Beverage Commission is to supervise and regulate all phases of the alcoholic beverage industry to ensure the protection of the welfare, health, peace, temperance and safety of the people of Texas, while facilitating fairness, balanced competition and responsible behavior.

Guiding Philosophy and Values

The Texas Alcoholic Beverage Commission will exemplify professionalism in all areas of performance. We will provide the best possible services at the lowest possible cost to the people of Texas. We will apply the law and agency policy fairly and consistently throughout the state. We will communicate openly with the public we serve and with all our fellow employees.

EXTERNAL/INTERNAL ASSESSMENT

OVERVIEW OF AGENCY SCOPE AND FUNCTIONS

United States Constitution - AMENDMENT XXI

Section 1. *The eighteenth article of amendment to the Constitution of the United States is hereby repealed.*

Section 2. *The transportation or importation into any state, territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited.*

Historical Perspective

Creation of the Agency

When the 21st Amendment to the United States Constitution repealed national prohibition (imposed by the 18th Amendment) in 1933, it delegated responsibility for regulation of the alcoholic beverage industry to the individual states. Shortly thereafter, the Texas legislature, meeting in special session, enacted the Texas Liquor Control Act which created the Texas Liquor Control Board. The LCB, as it came to be commonly known, began its existence on November 16, 1935, charged with the administration of the new act. The name of the agency was changed January 1, 1970, to the Texas Alcoholic Beverage Commission and, on September 1, 1977, the recodified Texas Liquor Control Act took effect as the Texas Alcoholic Beverage Code.

Liquor by the Drink

After several attempts, the Texas legislature responded in 1971 to a public referendum by creating a mixed beverage permit that allowed sales of liquor by the drink in those areas specifically authorized by local option election. With the new permit came the mixed beverage gross receipts tax: *a tax at the rate of 10 percent ... imposed on the gross receipts of a permittee from the sale, preparation, or service of mixed beverages or from the sale, preparation, or service of ice or nonalcoholic beverages that are sold, prepared, or served for the purpose of being mixed with alcoholic beverages and consumed on the premises of the permittee.* The new permit met with immediate acceptance, and the new tax quickly became a major revenue generator for the state. In 1985, the tax rate was increased to 12 percent; it was increased again in 1989 to 14 percent. For fiscal year 1993, gross receipts tax and penalty collections amounted to \$244.7 million, more than half of the total revenue collected by the agency.

Sunset Review

House Bill 1445 of the 73rd Legislature, 1993, enacted recommendations of the sunset review process regarding the commission. The legislature's action demonstrated its belief in the need for a separate alcoholic beverage regulatory agency. Emerging from the process, the Texas Alcoholic Beverage Commission was continued for 12 years with two significant functional changes:

- Effective January 1, 1994, responsibility for the collection and verification of the mixed beverage gross receipts tax was transferred to the Office of the Comptroller of Public Accounts.
- Effective April 1, 1994, responsibility for the enforcement of the Bingo Enabling Act was transferred to the Texas Lottery Commission. The Alcoholic Beverage Commission had assumed short term responsibility for the regulation of bingo from the Office of the Comptroller of Public Accounts in January 1990.

As provided in the Alcoholic Beverage Code, the commission is subject to the Texas Sunset Act and will undergo the review process in 2005.

Current Year Activities

As the agency continues to meet its stated key performance measures over the past four years, it has continued to accomplish “more with less.” Though the agency realizes it is fast approaching what may be the limit of what current resources may accomplish, the staff continues to use creativity and initiative to support the mission of the agency.

Through an ongoing process to review agency operations, rules and procedures to ensure its activity supports the stated mission, the agency has improved ongoing programs, including education to encourage voluntary compliance with the alcoholic beverage laws, or created new initiatives to deal with underage drinking.

Realizing that no one group alone may solve or eliminate the underage drinking problem in the State of Texas, the enforcement division of the agency has been active in partnering with many types of groups to bring awareness of the issues involved and educational efforts. The staff is active in many communities, interacting in various community coalitions whose focus is underage drinking or DWI. In conjunction with MADD, during the past year, the TABC sponsored two Youth Power Camps. These three-day events included sessions concerning accountability regarding youth access to alcohol, cigarettes and other drugs and included information directed toward youth making a difference for positive change in their community. They have been so successful that the Department of Public Safety is a new sponsoring partner, and the camps will be increased to four in the coming year.

The agency continually strives to work with or be a resource for local law enforcement. Monies obtained through the grant process have allowed the agency to distribute over 1,500 minor sting training videos to local law enforcement. The agency continues to provide four-hour liquor law classes to newly commissioned peace officers and justices of the peace across the state. Currently, under development, is a four-hour program entitled “Alcohol Enforcement Specialist” which will discuss different approaches on underage drinking and how to organize such efforts. An additional program for police managers is a one-day workshop covering how to handle youth alcohol issues and developing a plan of action. Perhaps one of the most successful efforts of the last year of combined law enforcement efforts is that of “Operation Fake Out.” These operations have occurred in each of the agency’s eight regions, particularly in college/university areas and represents efforts in combating the use of fake ID’s to obtain alcoholic beverages.

Project SAVE, an educational effort directed toward elementary and middle school-aged students, is an ongoing educational initiative. It is complimented by the addition of “Shattered Dreams” which occurs on a high school campus and involves the stark realities of underage drinking and driving. This program has occurred across the state with the assistance of fire departments, various police agencies, emergency personnel, school administrators and many others. The Safe Prom-Safe Graduation program has been well received in the local communities and represents agency efforts to be vigilant in times of the year when underage drinking may be more prevalent.

Grant monies obtained provide an avenue to expand agency efforts in the conducting of minor stings. Monies provided through the grant process allow the agency to perform, on the average, an additional 26 stings per month over and above the normal workload across the state. The monies further fund the COPS program (Cooperative On-Premise Stings) throughout the state. Not only are monies used for enforcement-related activities, but they also fund awareness projects. Most noteworthy of the current year are the 250 billboards across the state which provide a 1-888-THE-TABC phone number to contact the TABC to report underage drinking violations. In this initiative, as well as others, the agency continues to work with local authorities. The billboards were also enhanced by the 120,000 posters in public schools and college campuses and 100,000 business cards which were distributed embracing the same message.

While the resource management division places its efforts in streamlining agency procedures and accompanying paperwork and moving as fast as the limited staff size will allow in expanding the role of technology within the agency, the license and compliance division recently completed a major review of rule amendments to the seller-server training program. The seller training program had not had substantive review since its inception, and the rules adopted will enhance the knowledge of the server, improve quality of the training and provide penalties for those who have been trained and still sell to minors or intoxicated persons. The compliance staffs’ role continues to expand in regulatory oversight and resolutions of complaints that are regulatory in nature versus those which are criminal violations.

The ports of entry section is expanding its presence along the border regions of the state. The increase in the number of bridges along the border with Mexico and effects of NAFTA are quickly straining the staff in being able to cover all the ports. Bridges in the past, which were unmanned by the TABC and only randomly spot checked, now require coverage due to the increased volume of those who are importing cigarettes and alcoholic beverages.

The agency continues its review of the rules of the agency. This process requires much time and effort to make the proper review and amendments, if necessary. Throughout the process, the agency involves the industry, as well as interested parties, throughout the state.

While these are not all of the year’s ongoing activities, they highlight the programs currently underway which will continue through the next several years. For a more detailed description of underage drinking initiatives, please refer to Appendix H.

Powers and Duties

The Alcoholic Beverage Code authorizes the Texas Alcoholic Beverage Commission to:

- grant, refuse, suspend, or cancel permits and licenses in all phases of the alcoholic beverage industry;
- supervise, inspect, and regulate the manufacturing, importation, exportation, transportation, sale, storage, distribution, and possession of alcoholic beverages;
- assess and collect fees and taxes;
- investigate for violations of the Alcoholic Beverage Code and assist in the prosecution of violators;
- seize illicit beverages;
- adopt standards of quality and approve labels and size of containers for all alcoholic beverages sold in Texas;
- pass rules to assist the agency in all of the above.

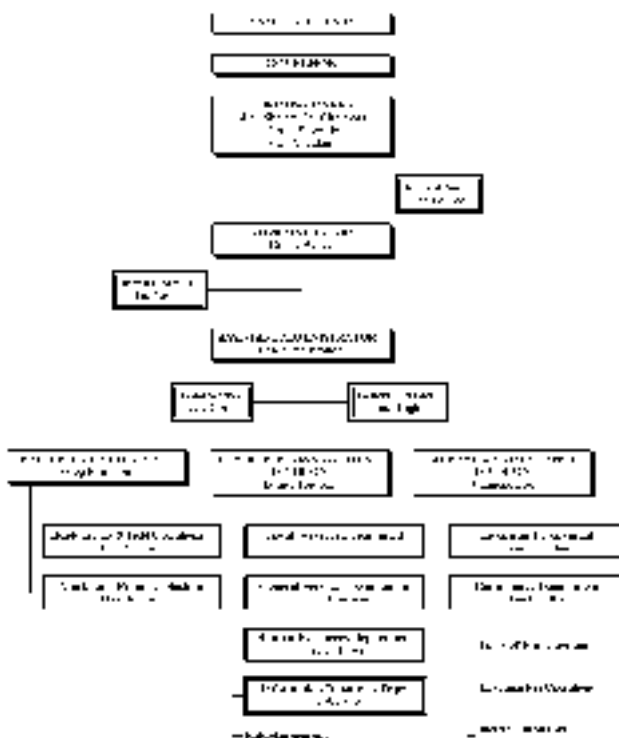
While the laws regulating the alcoholic beverage industry are consistent statewide, the Alcoholic Beverage Code allows local (county, city, justice precinct) determination of the types of alcoholic beverages which may be sold and how they can be sold by means of local option elections. For an overview of the variations this can create across the state, refer to the wet/dry map on the following page.

ORGANIZATIONAL ASPECTS

Organizational Structure and Process

The policy-making body of the agency is a three-member governing board appointed by the governor with the advice and consent of the senate. Members of the commission hold office for staggered terms of six-years, with the term of one member expiring every two years. Each member must be a Texas resident and must have resided in the state for at least five years preceding the appointment. Commission members serve without salary. The commission is currently comprised of Chairman Allan Shivers, Jr. of Austin, John T. Steen, Jr. of San Antonio and Gail Madden of Dallas.

An administrator, appointed by the three-member governing board, directs the daily operations of the Texas Alcoholic Beverage Commission. The current administrator is Doyne Bailey who was appointed on February 7, 1994. The administrator is responsible for employing the necessary staff to ensure that the policies established by the commission and the laws enacted by the legislature are implemented in an efficient and cost effective manner. Sharing in that responsibility is an executive support staff which includes an assistant administrator, general counsel and administrative assistants, as well as the directors of the agency's functional and administrative support divisions. Also included is an internal auditor who works under the direction of the administrator but reports directly to the commission and an internal affairs section which reports directly to the administrator.



The commission has three divisions: Enforcement and Marketing Practices, License and Compliance, and Resource Management.

The Enforcement Division, the agency's largest and most visible operating unit, is responsible for the criminal and administrative enforcement of the state's alcoholic beverage laws.

Certified peace officers, known as TABC agents, inspect premises licensed by the agency and investigate alleged violations of the Alcoholic Beverage Code and other state laws.

Increasingly, the commission has placed a greater emphasis on developing initiatives that target the problems associated with underage drinking. Agents are called on to provide presentations to school children, ranging from middle schools to college and university settings. In addition, presentations are delivered to licensees and their employees, civic organizations and other law enforcement agencies in an attempt to promote a better understanding of the law and the role and responsibilities of the Texas Alcoholic Beverage Commission. The division's marketing

practices section is responsible for oversight over the labeling, bottling and promotion of alcoholic beverage products in Texas.

The License and Compliance Division includes two departments: licensing and compliance. The licensing department processes applications for all phases of the alcoholic beverage industry involving the manufacture, sale, purchase, transportation, storage and distribution of alcoholic beverages. The department must ensure that each applicant is qualified to hold such license or permit and is in adherence with all applicable regulatory requirements. More than 89,000 licenses and permits are issued each year by personnel in this department.

The compliance department conducts inspections, fee analyses and regulatory assignments to ensure adherence with the Alcoholic Beverage Code. This department processes and receives monthly excise tax reports and ensures that proper taxes have been paid, as well as reviewing other regulatory reporting to determine compliance with the Alcoholic Beverage Code. In addition, field personnel conduct investigative audits, regulatory compliance reviews and marketing practices investigations in connection with law enforcement and licensing activities of the agency.

Included in the compliance department, the ports of entry program is responsible for ensuring compliance with personal importation laws and the collection of taxes and fees on alcoholic beverages brought into Texas. Taxpayer compliance officers also monitor compliance with the laws regarding importation of cigarettes into Texas and collect the applicable taxes for the Office of the Comptroller of Public Accounts. Agency personnel are stationed at all major bridges along the Texas-Mexico border.

The Resource Management Division includes four departments: fiscal services, information resources, general services and human resources.

The fiscal services department is responsible for all fiscal operations of the agency, including revenue processing, accounts payable, payroll, time and leave accounting, maintenance of the general ledger and preparation and oversight of the agency's legislative appropriations request, annual report, and performance reports.

The information resources department is responsible for supporting the agency's automated data processing and information resources management needs. This includes administration of the agency's mainframe computer wide area network, computer programming support for mainframe and personal computer systems, computer-generated printing support for various agency forms, licenses, reports and letters.

The general services department is responsible for staff support functions of purchasing, HUB program coordination, real and personal property management, facilities leasing, voice telecommunications, fleet management, centralized consumable supply distribution, mail center operations, reproduction services, and warehousing.

The human resources department is responsible for all employment related activities, including recruitment, selection, benefits and compensation, employee relations, classification, training, risk management, and implementation of the agency's equal employment opportunity and

affirmative action program.

The agency's legal section is responsible for preparing, processing and prosecuting administrative cases dealing with violations of the Alcoholic Beverage Code. When violations are alleged, a hearing is held at the State Office of Administrative Hearings to determine whether to cancel, suspend, grant or deny a license or permit.

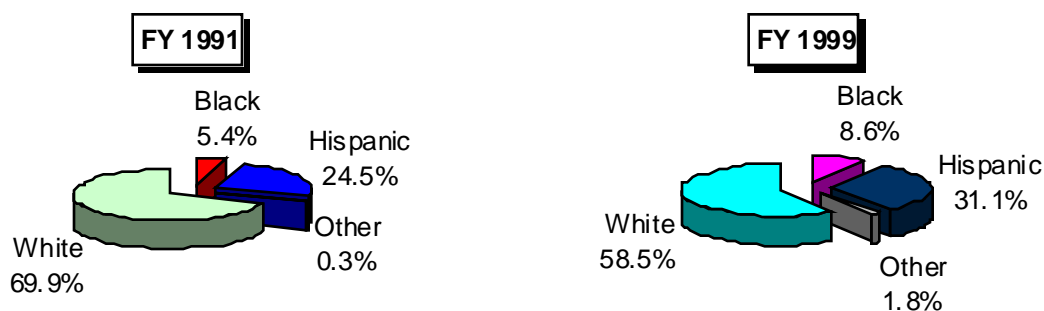
Work Force Size and Composition

Employees are the most valuable resource in this organization; therefore, management of human resources is critical to strategic planning and decision making. As employees carry out necessary duties in achieving performance measures, effective management of this resource is critical to achieving our goals and objectives. To this end, management recognizes that the focus must be on recruiting, selecting and retaining a high quality work force which consists of 527.5 employees.

One of the commission's internal goals is to maintain a work force of the highest quality which also reflects ethnic, racial and gender balance, based on percentages within the statewide civilian work force, through its recruitment policy. Elements of the policy include participation in career fairs conducted by higher education agencies, professional organizations and key groups involved with ethnic minorities and women; team efforts with field personnel to identify and recruit qualified candidates; and a wide distribution of brochures and pamphlets providing general information about the agency. These efforts have been successful in addressing the under-representation issues as well as emphasizing the agency's mission, philosophy, goals and objectives.

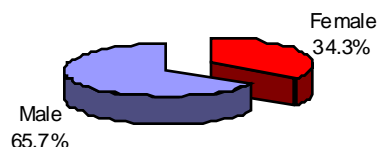
Overall, minorities constitute approximately 43 percent of the commission's work force; a three percent increase from 1998. Representation of blacks in the organization remains at approximately nine percent. Hispanic representation has increased from 29 percent in 1998 to the current 32 percent.

Race Representation



The percentage of female employees within the commission is currently 35 percent compared to 36 percent in 1998.

**Gender Representation
FY 1999**



Human Resources Strengths and Weaknesses

Effective management of employees involves matching employees' skills to the organization's needs by selecting people with necessary abilities and maximizing their potential through training. The commission continues to monitor its basic human resource management control systems (such as performance appraisals, hiring, staff development, and compliance with applicable statutes) to maintain an environment of continuous quality improvement. A continuing emphasis on professionalism, common courtesy, ethics and values and commitment to our customers has generated an organizational culture where employees strive for efficiency and effectiveness in the performance of their jobs and to meet agency measures, goals and objectives.

While maintaining initiatives such as risk management, internal surveys, professional development and health and safety issues, the agency has also initiated new practices, such as alternative work arrangements, employee assistance programs and expanded training seminars addressing work and family issues. Further, there is an ongoing evaluation of tasks and responsibilities by agency departments to determine whether new or other services can be provided for the internal customers. Staffing limitations, however, continue to place increased demands on implementing new practices and on finding innovative ways of performing the same or additional tasks.

Initiatives in the areas of education, public awareness and community involvement have created a greater demand on agency staff. With the fact that no additional agents were authorized for the biennium, a void exists in the number of agents required to adequately perform enforcement functions and new initiatives. Three new international bridges were opened during fiscal year 1999 and 2000 and, in addition, the agency found itself in a need to man previously unmanned bridges. Although 13 new ports of entry positions were authorized by the legislature, the additional regulatory duties mandated by the legislature has resulted in increased demands on the compliance staff. When consideration is given to new mandates, demand for additional services, the number of licensed establishments and the increased population statewide, it is clear that our current staffing pattern in this area is indeed limited.

Enhancing the quality and efficiency of the agency's information technology work force will be realized through improved staff development and retention programs. The current demand throughout the IT technical job market will continue to impact the agency's ability to recruit and retain qualified technical staff. The overall lack of available IT staff in the marketplace has reduced the number of applicants for most technical job postings. Turnover has affected key projects and forced the agency into more expensive outsourcing agreements. Several

internal apprenticeship programs have proven successful in the short term for replacing technical staff. Other options include the State Comptroller's IT Academy which would offer the agency an additional outlet for recruiting technical resources, as well as provide existing employees skills training on PC based, web solutions and network/pc management.

Though a statewide issue, the commission has experienced great difficulty in attracting qualified applicants at the state's current salary levels. For the same reason, the commission has been unsuccessful in retaining qualified employees. An increase in overall turnover is evident when comparing the first five months of fiscal year 2000 at a rate of 4.12 percent to the same period in fiscal year 1999 at a rate of 3.12 percent, which has been primarily due to inadequate salary. The rate is increasingly evident when one compares fiscal year 1999 of 8.52 percent to fiscal year 1998 of 6.26 percent. Though the average turnover rate is lower than the average of larger state agencies, it is more detrimental to the smaller agency when a vacancy remains unfilled for an extended period of time as there does not exist an adequate workforce to continually share duties for vacant positions. The agency is currently experiencing such a problem in filling paraprofessional and clerical positions which have remained unfilled over four months in some cases. The most likely solution would be to increase salaries and/or lower qualifications; both of which would create even greater issues (funding, morale, commitment to excellence, quality of work etc.) for maintaining a productive and committed work force.

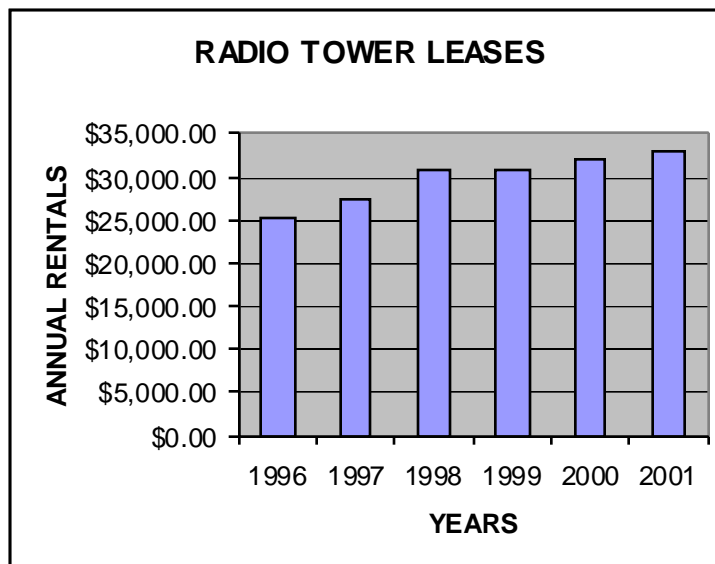
A constant key factor in all employee-related issues is a budgetary limitation, both in terms of monies and resources which ultimately impacts the agency in terms of its ability to control turnover, meet mandates and customer demands and successfully recruit and retain qualified employees.

Capital Asset Strengths and Weaknesses

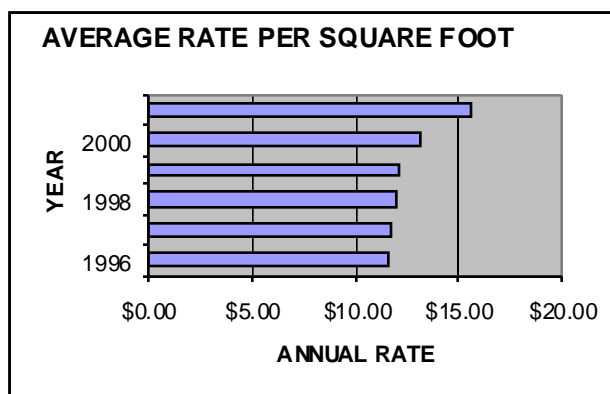
In marked improvement from prior years, the agency will be able to have all of its agents equipped with at least a 1996 vehicle during the current biennium. The agency has fifty 1996 vehicles currently in service, and it will be important that the agency resumes a normal vehicle retirement cycle of 45 to 50 units per year based on 85,000 to 90,000 miles per unit.

Utilizing bonded capital funding granted during the 75th legislative session, the agency will have completed its conversion of existing mobile radios and repeaters by the end of fiscal 2000. The agency will continue to explore expansion of its coverage area with logistically placed repeaters and, as with all technology, technological updating will continue to be necessary to maintain the agency's ability to effectively communicate with other law enforcement entities across the state.

Along with the equipment needs, comes the ever increasing cost of leasing radio tower space across the state. Since 1996, the annual lease rentals for tower space have increased from \$25,191 to a projected annual rental of \$32,842 for 2001. Tower rental costs have increased dramatically due to the increased utilization of wireless communications, FCC licensing costs, the limitation of the number of available tower sites and the procurement of individually-owned sites by major corporations. Very few site owners will sign a lease longer than 12 months due to the current escalating market rates. Additionally, the agency will continue to take an active role as a participating member of the State Radio Task Force that was created by the 76th legislature. This task force was created in an effort to organize and plan both the short term and long range goals of the state as they relate to wireless communication needs of state agencies.



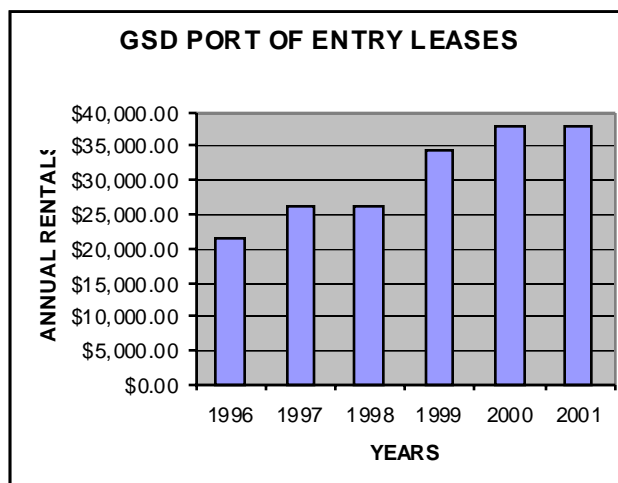
During the 76th session of the legislature, the agency requested, and was funded, for the anticipated increased rental costs for its headquarters facility for fiscal 2001. Having reviewed the volatile real estate market in Austin to determine the availability and price of existing space, and having ruled out any possibility of relocating into any available state office facility, the agency was able to negotiate a seven-year lease extension, effective September 1, 2000, with its current landlord at a rate within the monetary limits funded by the 76th legislature.



From the mid 80's till the early 90's, the Texas commercial market was distressed enough in the larger metropolitan areas to allow the agency to lease at very reasonable, if not below, market rates; however, this began to change in the mid 90's. Due to the robust Texas economy, coupled with the emergence of high technology industries, especially in the larger metropolitan areas, lease renewals of the agency's larger field offices faced expanding market rates. The agency experienced tremendous increases in rental overhead for office space during fiscal years 1999 and 2000. The leases being renewed were put in place prior to 1994 when the market rates were much more stable and, in some metropolitan areas, the rates were below previous renewal rates. Even though the agency has made great strides in reducing its total statewide office space from 94,753 net square feet in 1996 to a projected 93,428 net square feet for fiscal year 2001, rental costs have

increased from \$1,092,117 to a projected \$1,458,491 per year during the same time period. This equates to an average annual rate per square foot increase from \$11.53 (1996) to \$15.61 (projected for 2001). It will be imperative that the agency request and obtain additional overhead funding to cover these rental increases.

TABC requested, and the 75th legislature provided, the agency with funds to replace two major tax booths in El Paso and one booth in Laredo. The agency continues to work with the General Services Commission (federal) in conjunction with the expansion, renovation, and new bridge crossings currently being planned or under construction. On privately-owned bridge crossings (individual and municipal), we have been able to avoid having to pay for renovation or expansion costs by amortizing the construction costs through lease agreements directly with the bridge owners. Additionally, we have new bridges coming online during 2000 and beyond that will result in increased lease payments.



Replacement buildings are still needed in Laredo (Bridge #1 (GSA controlled), Presidio (private) and, possibly, Laredo (Bridge #4) during Phase II which will open the bridge to possible car traffic. Remodeling costs for existing structures in Del Rio and Ysleta are still needed. Anzalduas will probably be the next major bridge to open in the year 2005. It will be between Hidalgo and Roma and is classified as a high priority due to legislative action designating it as a “One Stop” bridge. The existing ports of Fabens and Rio Grande City are in need of a small facility to house agency personnel and equipment.

The agency is expected to complete the implementation of the Wide Area Network (WAN) by June 2000, replacing an existing statewide data telecommunications network which was installed in 1985. The WAN uses TCP/IP (Internet protocol) and has greatly improved communication and the flow of information from headquarters to the field offices. In addition, a number of client/server applications have been made available to these offices providing additional productivity benefits. Access to the Internet has opened up a number of other computing possibilities. Future plans are to enhance and expand the WAN to provide even greater productivity benefits to agency personnel.

The agency is updating its PC life cycle plan for replacing functionally obsolete personal computers, dumb terminals and software using acquisition strategies which provide the best return on investment. Through a more formal process, the agency will be able to identify weaknesses in PC management procedures, develop user profiles for equipment and consider technological advances when developing a PC life cycle best suited to the needs of the agency.

GEOGRAPHICAL LOCATION OF AGENCY

With its headquarters in Austin, field offices for enforcement and compliance personnel are maintained across the state. For enforcement purposes, the state has been divided into eight regions, each directed by a captain. Compliance personnel are based within four regions and each region is under the supervision of a compliance supervisor.

Office sites are chosen based on three criteria: (1) proximity to concentrations of licensed premises, (2) centrality of the location to the area being served and (3) ease of access to and from all points of the service area. Enforcement personnel are allocated to individual service areas on the basis of assessed need, with need being defined by three factors – number of licensed premises within the service area, the actual size of the service area and service area population. Compliance officers are allocated on the basis of workload, with workload defined by both the types of activities performed within each office and the number of individual accounts.

Current enforcement regions include:

Region 1 (Lubbock)

Lubbock, Amarillo and Wichita Falls districts; outpost located in Vernon.

Region 2 (Dallas)

Dallas and Fort Worth districts; outposts located in Greenville, Denton, McKinney, Sherman, Terrell, Granbury and Mineral Wells.

Region 3 (Odessa)

Odessa and El Paso districts; outposts located in Big Spring.

Region 4 (Abilene)

Abilene and Waco districts; outposts located in Bryan, San Angelo, Belton, Killeen, Lampasas and Athens.

Region 5 (Beaumont)

Beaumont and Longview districts; outposts located in Conroe, Jasper, Huntsville, Nacogdoches, Texarkana and Tyler.

Region 6 (Houston)

Houston district; outpost located in Galveston and three Harris county sectors.

Region 7 (Austin)

Austin and Victoria districts; outposts located in San Marcos, Richmond, Georgetown, Bastrop, Kerrville, Llano, New Braunfels, Angleton, Brenham and Wharton.

Region 8 (San Antonio)

San Antonio, McAllen and Corpus Christi districts; outposts located in Harlingen, Laredo, Del Rio, Devine, Floresville and Uvalde.

All of the 17 districts are staffed with commissioned peace officers and support staff. In addition, 15 have at least one compliance officer. Additional staffing of one to three law enforcement personnel are maintained in the 38 outpost locations.

Compliance functions are organized in four regions:

Region 1 (Lubbock)

Lubbock, Odessa, Amarillo, El Paso, Abilene, Wichita Falls (compliance officers are not located in Wichita Falls)

Region 2 (Dallas)

Dallas, Fort Worth, Waco and Longview

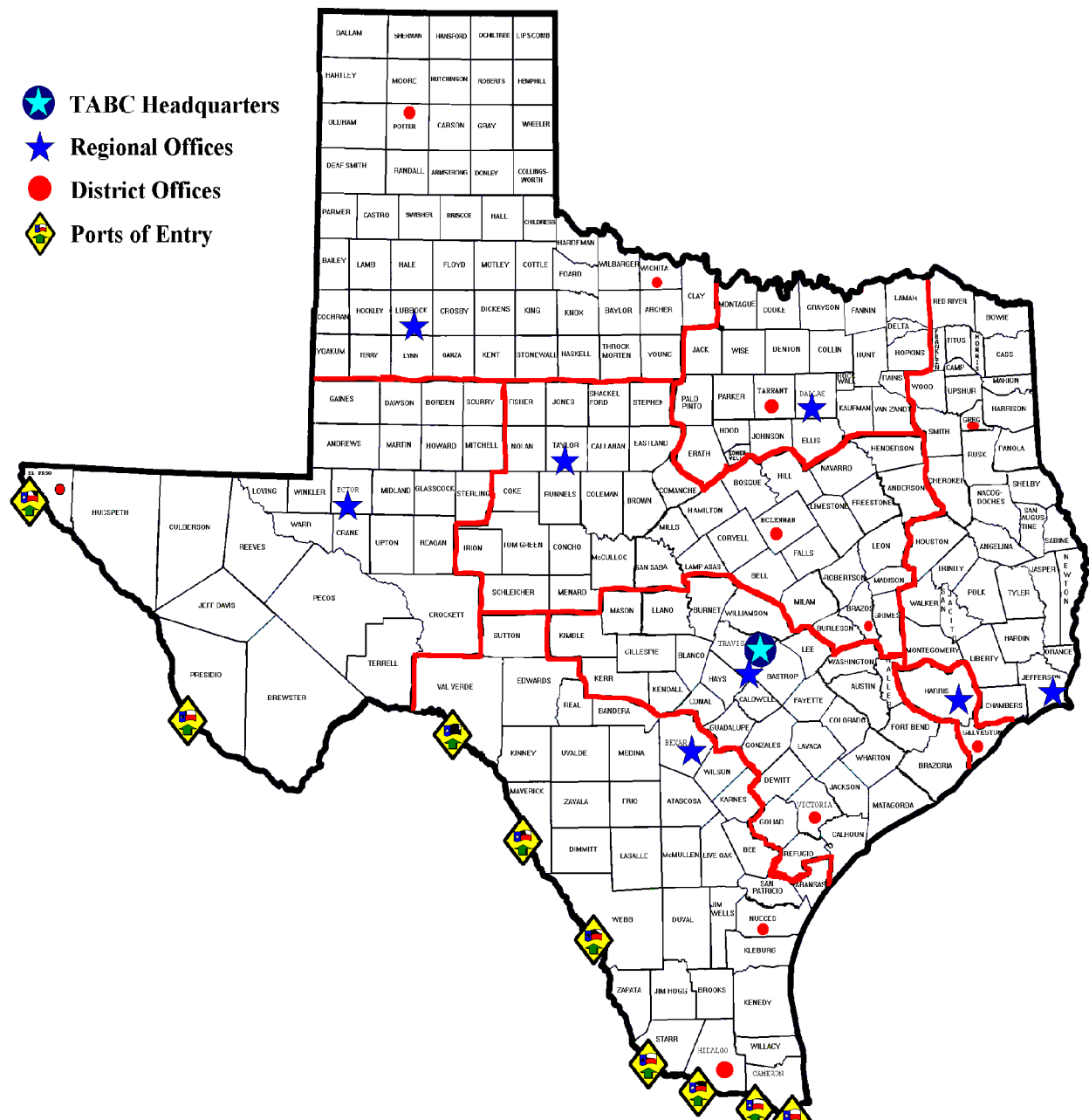
Region 3 (Houston)

Houston, Galveston, Beaumont, Bryan (compliance officers are not located in Bryan)

Region 4 (San Antonio)

San Antonio, Corpus Christi, McAllen, Austin and Victoria (compliance officers are not located in Victoria)

Agency personnel, under the direction of an area supervisor, also staff ports of entry facilities at all major border crossings along the Rio Grande, including the international bridges at El Paso, Ysleta, Fabens, Presidio, Del Rio, Eagle Pass, Laredo, Roma, Progreso, Hidalgo, Pharr Brownsville and Los Indios. Other bridges are staffed on a temporary basis as dictated by seasonal traffic.



Special Needs-Border Areas

Rio Grande Valley

Coverage. Both enforcement and ports of entry are well dispersed along the lower Rio Grande Valley, with ports of entry tax collectors stationed at each of the major border crossings and enforcement agents assigned to every sizable border town between Brownsville and Del Rio. The coverage for the upper Rio Grande is far less, but that is due to a lack of people, towns and transportation infrastructure along the border in the area between Del Rio and El Paso. The endpoint, El Paso area, with its large population, concentration of licensed premises and multiple bridges is as well staffed as the lower Rio Grande.

Proportionately staffed, as per the enforcement division's standard manpower allocation model, however, is not necessarily the same as adequately staffed. A key point to be considered when allocating agents to the border area is that, due to illegal immigration, the resident population is grossly under-reported. Also, important to keep in mind is that the border service areas draw customers from both sides of the border and that the enforcement agents stationed in those areas serve both the resident population and a large number of non-resident Mexican nationals. Enforcement has tried to deal with these factors by increasing the manpower allocation numbers derived from its model to give the Rio Grande border area more agents. Increasing allocation numbers still has not resulted in adequate staffing. More agents are definitely needed - at least one each in Cameron, Hidalgo, Webb and Jim Wells Counties, two in El Paso county and one for the Big Bend area. This need, however, can only be filed by incremental staffing. Enforcement offices throughout the state are themselves strapped for manpower considering the responsibilities and magnitude of their duties.

Inter-Agency and Cross-Border Cooperation. The agency works closely with local and federal authorities along the Mexican border. Enforcement has solid working relationships with area sheriffs' offices, police departments and prosecutor's offices, as well as with federal police agencies. Ports of entry works closely with Customs and Border Patrol personnel on the bridges. The agency has also established relationships with authorities on the Mexican side of the Rio Grande, especially in the Brownsville/Matamoros area, where police agencies on both sides of the border work in close cooperation during Spring Break.

Louisiana

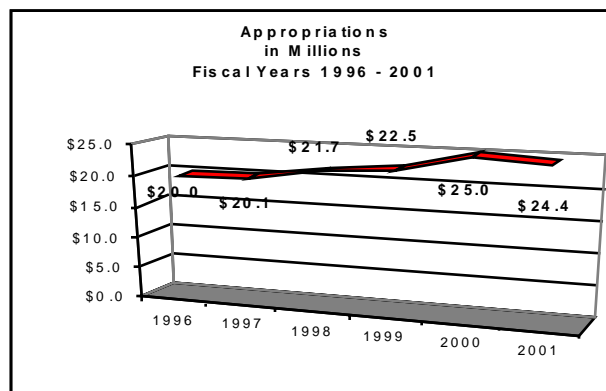
Coverage. The Louisiana border area is served by two TABC district offices (Longview and Beaumont) and by outpost offices in Texarkana, Nacogdoches and Jasper. As elsewhere in the state, agent allocation in the region is based on a standard formula that considers factors such as population, the number of licensed locations and the geographic size of individual service areas. Unlike the upper and lower valley areas, however, resident population is not thought to be significantly under-reported and there is no upward adjustment to allocate additional agents. While the agency would like to have more agents and more sub-offices along the Louisiana border, the need is not seen as critical in this part of the state as it is along the Rio Grande.

Inter-Agency and Cross-Border Cooperation. Enforcement has solid working relationships with area sheriffs' offices, police departments and prosecutor's offices. The agency has also established relationships with Louisiana alcoholic beverage authorities and has even held joint training exercises for enforcement officers from both states.

FISCAL ASPECTS

Budget

For the fiscal year 2000-2001 biennium, the agency received a \$5.2 million increase in legislative funding. Most of this was due to salary increases the legislature passed for commissioned peace officers and the \$100 per month across-the-board increase in salary for other state employees. Additional increased funding was appropriated for completion of the agency wide area computer network and for increases necessary for staffing three newly constructed bridges between Texas and Mexico in the ports of entry program.

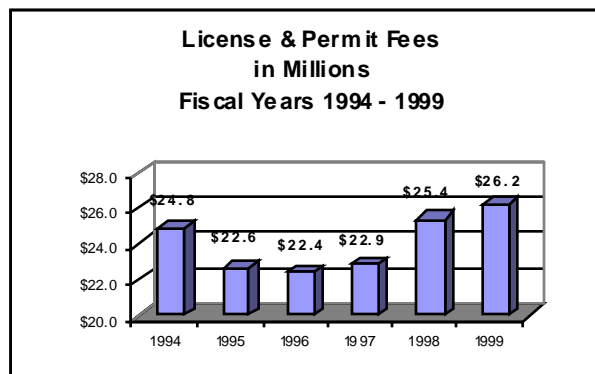


Federal Funds

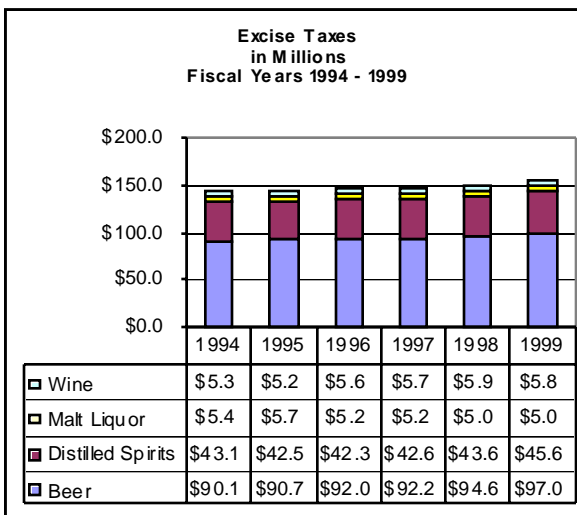
In fiscal years 1998 and 1999, the commission received U.S. Department of Transportation Traffic Safety Program Funds to perform programs to prevent drinking and driving. This helps fund both minor stings and Cops In Shops programs initiated by the commission. The commission received \$462,448 in fiscal year 1998 and \$288,416 in fiscal year 1999 through an interagency contract with the Texas Department of Transportation.

Revenue Collections

License and permit fees, due to surcharges, have remained constant to fund the increase in appropriations. The chart shows the license and permit fees collected by the commission from fiscal year 1994 to 1999. The 73rd Legislature directed that the agency cover its costs of operations through license and permit fees and surcharges, consequently the license and permit fees increased in fiscal year 1994. In addition, the 75th Legislature has directed the agency to cover its direct and indirect costs with fees, fines and other miscellaneous revenue.



The commission continues to collect excise taxes which have increased from \$143.9 million in fiscal year 1994 to \$153.4 million in fiscal year 1999. These taxes are deposited in the state's general revenue fund and directed 100 percent toward other state expenditures. In addition, for the fiscal year 1999, the alcoholic beverage industry paid \$329 million directly to the Comptroller of Public Accounts for mixed beverage taxes. This total of \$482.4 million in taxes does not include sales taxes on alcoholic beverages at all retail locations except those holding mixed beverage and private club permits.



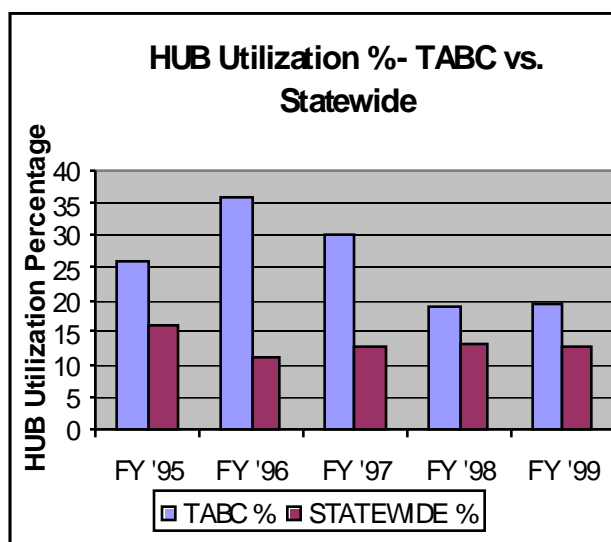
With the opening of new bridges between Texas and Mexico, the tourist traffic, as well as commercial traffic, continues to rise. The personal importation of alcoholic beverages and cigarettes along the border, along with the collection of excise taxes, continues to increase.

Use of Resources to Meet Needs

The alcoholic beverage industry in the state continues to change in the number of locations, as well as the way they do business. The Internet has impacted this industry as it has many others which makes keeping up more difficult. In order to continue to manage and regulate the industry, the agency will need to be able to look to automation and technology as ways to regulate in the 21st Century. This will mean additional attention to information technology, which has with it inherent costs in software, hardware and support. The ability to keep current technical personnel, as well as recruiting and retention of information technology personnel, will be key to agency endeavors during the next five years.

Agency's Utilization of HUB's

The agency's utilization of Historically Underutilized Businesses (HUB's) has steadily increased since its formulation and inception in 1992. This increase can be attributed to management's desire to have a program that extended to its field office locations, that would be manageable with realistic goals, have departmental level reporting and be supported by all of the agency's employees. The current policy in place was developed to support the General Services Commission's reporting guidelines and currently sets forth six HUB goals for the different categories of agency purchases. The current policy, which was



put into place in 1995, ensures that the agency will make a good faith effort to utilize HUB vendors and addresses the agency's procurement procedures currently in place. This policy has resulted in the agency having a HUB utilization rate that has averaged 26% over the last five fiscal years compared to the statewide five-year average of 13.2%. A copy of the current policy may be found in Appendix I.

TECHNOLOGICAL DEVELOPMENTS

World Wide Web and e-Government

As the growing demand for online electronic information and services via the Internet increases, the agency must be prepared to meet those demands with timely, more accessible information. Both short and long term technology strategies have been developed to address the interest in electronic government (see Appendix G for more information). The agency is closely watching the e-government initiative passed by the 76th Texas Legislature directing the Department of Information Resources (DIR) to establish a task force to assess the current and future feasibility of conducting government transactions via the Internet. The task force of state agencies will complete a feasibility study involving the establishment of a demonstration project for online government transactions, along with a survey of Texas state agencies and universities to determine opportunities and challenges for electronic government in the state. The agency participated in the survey and expressed an interest in becoming a future pilot participant. Among the agency applications mentioned for the future e-government project were: marketing practices label approvals, excise tax filings, seller/server training certificates and credit law.

The current pilot is being referred to as the Framework for an Electronic Government Business Portal and Payment System. The Electronic Framework Project plans to establish the following types of transactions via the Internet:

- * the ability for state and local government to send documents to members of the public and persons who are regulated by a state or local agency;
- * the ability for state and local government to receive applications for licenses and permits and receive documents for filing from members of the public and persons who are regulated by a state agency or local government that, when a signature is necessary, can be electronically signed by the member of the public or regulated person; and
- * the ability for state and local government to receive required payments from members of the public and persons who are regulated by a state agency or local government.

Several potential obstacles must be addressed relating to funding, statutory limitations, local government involvement and technical considerations before the agency can seriously pursue this technology opportunity.

Re-engineer Legacy Database Systems

With the ever-increasing emphasis on Internet-based government services, the agency's current legacy database systems will require extensive re-engineering to keep up with these demands. Although short term strategies have been developed to handle any pilot applications, the long-range strategy is to replace these costly legacy database systems with a platform independent, Internet-ready solution. The agency plans to develop a multi-year migration plan to convert all current legacy database systems (Model 204 database systems running on an IBM mainframe) to a more cost effective client/server platform. The state-of-the-art solution will involve replacing both the existing computing hardware and database software environments. This computing environment will provide enhanced support for electronic computing via the Internet, improve the maintainability of the systems and reduce the overall operational costs while maintaining high performance and reliability levels. The cost for such a project would be considerable and would have to be offset through increasing license application surcharge fees. Other methods of funding could include agency subscription fees, customer transaction/convenience fees by application, payment processing fee by transaction and premium services fees.

Other Technology Possibilities

The agency plans to implement other technology solutions designed to increase employee productivity by reducing the paper processing workloads. Several of the most notable solutions include:

- * Use of imaging technology for storing/retrieving of agency paper documents in an integrated document management strategy (optical scanners and optical storage devices) and optical character recognition solutions to replace a portion of the manual data entry of agency records. Available alternatives include outsourcing the work to the Texas State Library and Archives Commission's Imaging Services Unit or to a private industry contractor.
- * Use of mobile computing platforms by enforcement agents (e.g. notebook, hand-held pen tablets and "ruggedized" computers). One technology that has come a long way in the last several years are personal digital assistants (PDA's). This technology is currently being looked at as a tool to assist the field agents with their paper workload. Many of the latest models run a number of business applications, including word processors, e-mail, spreadsheets, presentation tools, fax utilities and web browsers. Hand-held PC's are much less expensive than the average notebook computer (\$300-\$1,400 versus \$2,300+) and offer a lot of processing power in a small, lighter package (less than two pounds).

West Texas Disaster Recovery Operations Center (WTDROC)

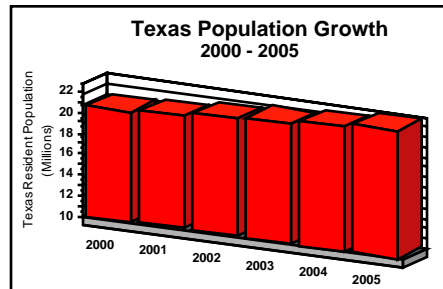
The agency and WTDROC contractor Northop Grumman have begun discussions on the possibility of outsourcing IBM mainframe data center operations to the WTDROC. Among the services being considered are all data center operations including console operations, tape operations, systems programming, help desk support, management and administration and

printing operations. Once a comparative cost analysis has been evaluated to determine reasonable costs, the agency will either proceed with the outsourcing services through WTDROC or submit a waiver to the LBB for consideration of another alternative. It is expected that any outsourcing agreement would be negotiated for a period of up to five years or until the agency migrates away the mainframe computing environment in favor of a client/server alternative.

SERVICE POPULATION DEMOGRAPHICS

Specific groups served by or receiving special attention from the agency, besides the population in general, include young people, especially those in the 16 - 20 age group, and the businesses that make up the alcoholic beverage industry (alcoholic beverage retailers, wholesalers and manufacturers/brewers). A discussion of the changes expected within each of these service populations follows:

General Population

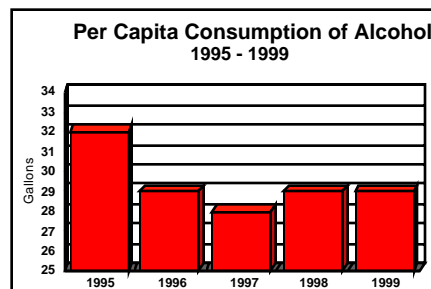


The general population is of interest, not only because it benefits from the regulation of alcoholic beverages, but also because it is population growth that drives the demand for alcoholic beverage products and alcoholic beverage vendors. As seen in the discussion of economic variables found elsewhere in this assessment, changes in aggregate demand for alcoholic beverages, as well as changes in the number of alcoholic beverage retailers, are directly and positively

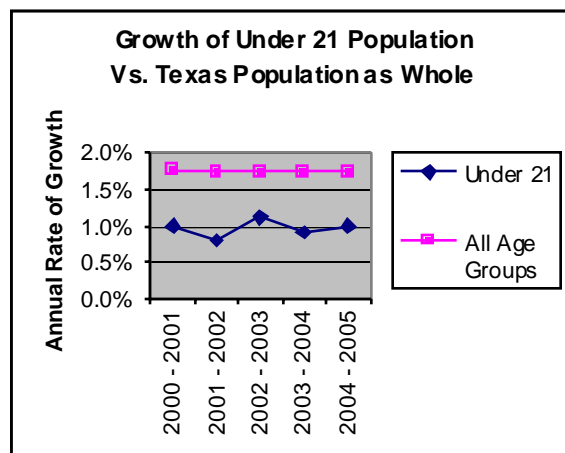
related to changes in the size of the general population.

The Office of Comptroller of Public Accounts' "Economic and Population Forecast Summary" for Fall 1999 predicts a slow, but steady growth in population, averaging 1.8 percent per year, between fiscal year 2000 and fiscal year 2005. According to the Texas State Data Center estimates, the state population will continue to age during this period, due principally to the aging of the population's largest age segment, the post-WWII baby boomers.

Because personal consumption of alcoholic beverages and the incidence of alcohol-related problems have historically declined with age, the passage of an age segment the size of the baby boomers through middle-age should exert a moderating influence upon the consumption patterns and alcohol-related behaviors of the population as a whole. The decline in per capita consumption of alcoholic beverages observed in recent years suggests that the boomers are following the normal trend. Should the decline in per capita consumption continue, as the commission believes it will, the aging of the state's largest population segment should largely offset the pressures that would normally be exerted upon agency resources by population growth at the expected rate of increase.



Young People

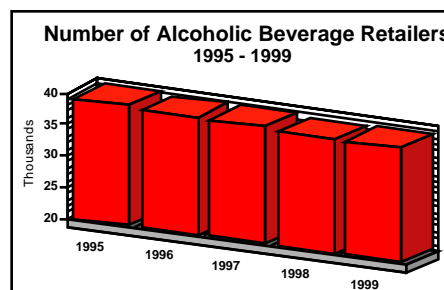


School-age children, grades 4 - 12, are the primary focus of Project SAVE, the agency's prevention education program. The 16 - 21 age group and those who would sell or otherwise provide alcoholic beverages to its members are the target of much of the agency's law enforcement activities. The Texas State Data Center expects the population of young people under 21 years of age to grow at a little more than half the rate for the general population from 2000 to 2005 and to decline slightly as a percentage of the state's total population. Even so, the actual number of people in this age group is still expected to grow relative to agency's available

resources, which means that the agency will have to find new and better methods of operation in order to maintain current service quality and coverage standards.

Alcoholic Beverage Retailers

The number of alcoholic beverage retailers is expected to remain relatively stable during the next five years, hovering as it has for the last decade around the 38,500 mark. Although there is the possibility for some increases, especially in high growth areas, the agency does not believe that the aggregate number of retailers will substantially change. The agency is confident that it can successfully shift its existing resources to meet any challenges posed by localized growth in this segment of the industry.



Wholesalers & Manufacturers

The agency expects the number of firms doing business in Texas at the wholesale and manufacturing levels of the alcoholic beverage industry to remain more or less unchanged through fiscal year 2005. While it is evident the actual number of different firms in the wholesale level will decrease, the actual locations needed to conduct their operations will be relatively constant. National market conditions make the number of wholesale and manufacturing firms somewhat less responsive to changes in the general population or to changes in the economy than is the case with retailers. Consequently, the moderate levels of economic and population growth projected for Texas between fiscal year 2001 and fiscal year 2005 are unlikely to spark significant changes in the sizes of wholesale and manufacturing tiers of the industry.

Of note, however, is that while the absolute size of these tiers is not expected to change, the agency does expect competition for market share to remain strong and possibly even to

intensify. One element of this competition will undoubtedly be the continued expansion of the product lines marketed by manufacturers and wholesalers. The number of labels approved annually, for example, increased by almost 60 percent between fiscal year 1995 and fiscal year 1999. The agency expects this trend to continue.

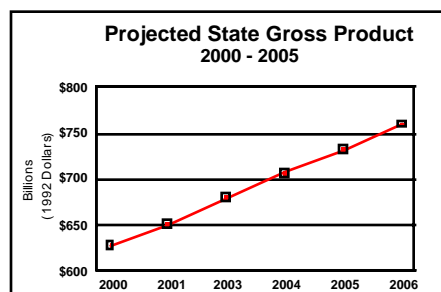
As in the past, the agency also expects market share competition to lead some wholesalers and manufacturers into temptation and to result in a certain volume of marketing practices violations. Should that competition intensify, the number of marketing practices violations will grow and more resources will be required for marketing practices compliance efforts.

Summary

Several key service populations will increase in size between fiscal year 2001 and fiscal year 2005, but these increases should be relatively small. The agency does have some concerns about the aggregate growth expected in the "Under 21" age group and notes that market share competition in the wholesale and manufacturing tiers have already stretched the agency resources available to deal with those segments of the industry.

ECONOMIC VARIABLES

Regression analysis of alcoholic beverage sales volumes, population changes and economic growth in Texas clearly demonstrates that the economic well-being of the Texas alcoholic beverage industry is directly tied to the overall growth rates of the state's population and its economy. The relationships in question are strong, highly significant and undoubtedly causal. While these historic relationships have moderated somewhat in recent years due to aggregate changes in personal drinking patterns, they still exist and will continue to influence the future.



The Office of Comptroller of Public Accounts projects steady, but slow, growth for the state's population and its economy during the next five years. In keeping with this projection, the Alcoholic Beverage Commission anticipates slight to moderate increases in the aggregate demand for alcoholic beverage products during each of the years under consideration due largely to population growth. At the same time, however, the commission expects the number of business entities that it regulates to remain relatively

constant. While there is some potential for growth in the number of alcoholic beverage retailers, due to the projected increases in the aggregate demand for alcoholic beverage products, the commission believes this pressure will be largely offset by a continuation of the downward trend in personal consumption.

Changes in Personal Drinking Habits

As evidenced by the decline in per capita consumption depicted elsewhere and by declines in DWI-related arrests, crashes, injuries and fatalities over the past decade, the personal drinking

habits of Texans are changing. On average, they are drinking fewer alcoholic beverages per episode and in aggregate. They are also switching to different types of alcoholic beverages, frequently beverages with lower alcohol content, when they do drink. Whether these declines are due to greater personal concerns about health, to a heightened sense of social responsibility among individuals, or to tougher laws and less social tolerance for DWI and other related behaviors, is unknown. The net result, however, is that Texans, as a group, are becoming increasingly more responsible in their use of alcoholic beverages and, as evidenced by the legislation passed by their elected representatives, increasingly less tolerant of those whose drinking practices are not responsible.

The commission assumes that these social trends will continue into the future and hopes that they will help moderate the increases in service demand that are expected to result from the growth of key service populations. To maximize the potential benefits, however, the commission, along with a great many other organizations, both public and private, will have to continue to devote considerable resources to public information/public education activities that promote voluntary compliance with the law and safe, responsible drinking practices.

LEGAL ISSUES

The consequences of underage and irresponsible drinking on the public health, safety and welfare will continue to be a primary concern of the commission. Beyond initiatives undertaken in partnership with industry and community groups, the agency will continue to search for innovative uses of its statutory and regulatory authority to encourage more effective and responsible practices by members of the alcoholic beverage industry.

As with other industries, the changing forms of electronic commerce present great challenges to the structure of alcoholic beverage regulation. The commission is currently involved in litigation in which it is contended that the statutory proscription against direct marketing of alcoholic beverages by out-of-state vendors to Texas consumers violates the Interstate Commerce Clause of the federal constitution. Identical litigation is ongoing in several other states. Resolution of this and related issues will have great impact on the ability of the State of Texas to maintain a regulatory structure that is constitutional, efficient and responsive to consumer needs while continuing to provide strong protection for the public health, safety, welfare and temperance. It is expected that this will be a legislative issue during the 76th Legislature in 2001.

CUSTOMER SATISFACTION ASSESSMENT

Over the years, the TABC has identified three distinct groups as our primary customers. These include the general public, members of the alcoholic beverage industry and local government agencies/public officials. Dating back to the early 1990's, we have used customer satisfaction surveys to assess customer satisfaction levels to gauge the satisfaction of our primary customers, the alcoholic industry, on a regular basis.

There are two primary reasons why the alcoholic beverage industry has been designated as the agency's primary target for customer satisfaction assessments:

- (a) members of this industry constitute the segment of our population most affected by and familiar with agency operations, and
- (b) as recipients of our regulatory services, these individuals are in a better position to assess our programs, services and activities.

Methodology

In keeping with past efforts in this area, we continue to use three survey instruments to gauge customer satisfaction among the industry we license and regulate. Specifically, the agency has continued to use written survey tools in our licensing, compliance and enforcement areas.

A licensing practices survey instrument is mailed, along with the license itself, to each entity that receives an original license. Those surveyed with this instrument are representatives of all business entities who apply for and receive an original license, and the distribution of the instruments occurs throughout the course of the year as original licenses are issued.

Compliance officers, on the other hand, leave a compliance practices survey with the licensee or the licensee's representative at the conclusion of each financial and/or records audit. The population segment surveyed consists of all licensees audited or reviewed by compliance, and the distribution of the survey instruments is accomplished by hand at the conclusion of each audit/review.

Other methods are employed for the enforcement practices survey. The instruments used in this survey are distributed by mail each month to a randomly selected sample of 10 percent of the licensees whose premises were inspected by agency enforcement agents during the preceding month.

Upon arrival at the agency's Austin headquarters, all returned survey instruments are reviewed first by the agency's administrator and then by the appropriate division and department heads. After these reviews, the responses contained in the returned survey instruments are entered into one of three PC databases, with the exact database dependent upon the survey instrument type.

Data Analysis

Agency management continues to study survey responses and identify any general trends and identify areas of strong customer service, as well as isolating areas needing the immediate attention of upper management. The data is examined on a quarterly basis and year-to-date comparisons are made with results from previous years.

Survey Results

| | FY 1999 | 1 st and 2 nd Quarter FY 2000 |
|--|---------|---|
| Percentage of Agency Contacts Rating Enforcement Actions as Satisfactory or Better | 82.9% | 79.1% |
| Percent of Agency Clients Expressing Satisfaction With Licensing Process | 95.8% | 95.1% |
| Percent of Agency Contacts Expressing Satisfaction With Compliance Functions | 98.5% | 99.8% |

Use of Survey Results

The agency has found the use of written survey tools as a viable means of keeping in touch with the people it serves. Based on input provided on these instruments, the agency is able to continuously assess its wide array of programs, services and activities and determine where growth, enhancement and/or modification is necessary in these programmatic areas.

Customer survey responses are also used as the basis for immediate recognition and praise of individual employees and work groups. When customer comments concerning positive behaviors or outstanding service routinely are received, the agency's administrator acknowledges such recognition personally. The feedback received from employees indicates that this use of survey responses has done much to boost employee morale, as well as increase commitment to the concept of customer service.

Negative customer comments are used by the agency as a tool to improve customer service. Comments concerning poor, inadequate service or wasteful, ineffective processes, on the other hand, are compiled and studied by division and department level personnel. In such cases, the complaints are assessed and any "fixes" needed are then identified, tested and implemented (often with input from industry representatives and the survey respondent who originally raised the issue). Both processes use customer survey responses to identify existing problems in service delivery. As steps are taken to correct the problems, customer service is improved.

Conclusion

The agency continues to emphasize a customer service mentality throughout the state. The advent of the “Compact With Texans” will enhance customer service orientation as the agency expands its survey and seeks ways of reaching out to the people served. (See Appendix E.) As evidenced by the high ratings given by agency employees in the areas of “customer service” commitment, the agency feels confident that the new initiatives in the area of customer satisfaction assessment plans and customer service standards (House Bill 1563) will offer one more avenue for improving service quality. The standards of performance set for agency employees are driven by the agency’s ability to be as responsible as possible to the needs of the customers served.

PERFORMANCE BENCHMARKING

Benchmarking is “the continuous, systematic search for, and implementation of, best practices which lead to superior performance.” It is a realistic approach to assessing and improving the performance in key service areas. The agency used the benchmarking process as a method for identifying opportunities and as a means of improving services.

The benchmarking process began with the agency addressing these three important questions: where are we now? where do we want to get to? and how do we get there? The agency’s directors and various employees from the field offices met on numerous occasions to examine and discuss pressing issues and important processes within the agency.

From the examination, the agency identified areas of nonvalue added work, unmet customer needs, performance gaps, problem areas and strategic advantage. It then assessed the resource and cost implications of the proposed changes. Once operational changes were decided upon, the agency began innovating certain processes and procedures.

Outcomes of the Process

The enforcement division’s use of internal benchmarking generated many process and program enhancements. Among the most significant have been the expansion of Project SAVE for various age groups, improvements in the marketing practices training and the development of an agency law enforcement program.

In order to spread knowledge of successful innovations and reward innovators, division management have regularly recognized those work units whose methods have achieved superior results and has held their improved methods up as operational models for the division’s other work groups. Issues of accountability and unit pride have driven supervisors to adopt certain innovations and abandon less successful methods. As innovations are adopted, performance rises for both the individual work groups and for the division as a whole.

Future initiatives that the enforcement division plans to pursue include: the development of new programs to further expand local police involvement in alcoholic beverage enforcement activities, the completion of a Project SAVE program for college students and the streamlining and improvement of the agency’s retailer education programs. Also planned is the continued

expansion and development of cooperative age-law enforcement programs, such as COPS, Cops In Shops and Operation Fake Out and the development of searchable databases accessible to the public through the agency's public web site that will allow wholesalers, distributors and manufacturers to obtain quick and understandable answers to questions concerning the state's marketing practices regulations.

The licensing and compliance division went through a series of process innovations and changes. The changes in the licensing department included processes which not only made the department more efficient, but which helped other agency divisions and the public. The division's booklet on licenses and permits was updated and added to the agency's web site. Furthermore, additional public information on licenses and permits was made available on the agency's web site for easy public access.

Innovations which provided better customer service to internal and external customers were implemented. The agency computer database was updated and programs created to allow other agency divisions access to the most current information on licenses and permits. The licensing department has continued to review and respond to customer satisfaction surveys, making necessary adjustments to better serve the public.

The compliance department also instituted many procedural changes due to its internal review. The changes having the most impact were in the seller training and excise tax compliance areas of the department. They included increased monitoring of seller-server training schools, revised and updated excise tax manuals, implemented new tax reports, which were added to the agency's web site, streamlined the auditing process, added new investigations into marketing practices and streamlined the issuance of temporary membership cards.

Present and future initiatives in the compliance department include creating a standardized test for seller server training, developing a new seller-server training for management employees, obtaining a voice interactive response system, developing a food and beverage manual and continually analyzing the issue of direct shipping over the Internet.

Several innovations have provided better service for the agency's customers. Brochures and flyers for excise tax collectors along the Texas-Mexico border, distributed during Spring Break and other times, resulted in greater compliance and less confusion for tourists concerning importation laws. Pertinent information for retailers, distributors and wholesalers was added to the agency's web site and also made available by dialing directly into the agency's mainframe computer system by modem.

The agency has also continued to develop external benchmarking partnerships with alcoholic beverage control agencies in other states. A few of these states have similar unique alcoholic beverage laws which lend themselves to best practices benchmarking, especially in the areas of enforcement programs, underage drinking prevention programs, seller training programs and licensing. For example, the enforcement division's external benchmarking process of cross-comparing the agency's results and methods will hopefully lead to the identification of a set of best practices for the minor sting process which can be shared with other law enforcement agencies. The agency will continue to foster these relationships and benchmark with these agencies in the current biennium.

RELATIONSHIP BETWEEN AGENCY GOALS, AGENCY STRATEGIES AND STATEWIDE GOALS AND BENCHMARKS

The strategic plan of the commission directly supports three of the priority goals of the State of Texas:

Public Safety and Criminal Justice
Economic Development
General Government

Agency Goal 1 - Promoting the Health, Safety and Welfare of the Public

The public safety and criminal justice goal, “To protect Texans from crime by holding individuals accountable for their actions through swift and sure punishment,” is supported by the agency’s enforcement goal of promoting the health, safety and welfare of the public by taking positive steps to ensure voluntary compliance with the law and deterring the illegal distribution and consumption of alcoholic beverage products. Statewide benchmarks noting the juvenile violent crime rate and the adult violent crime rate are supported by the enforcement strategy of deterring and detecting the violations of the Alcoholic Beverage Code by inspections, investigations and education of the industry and general public.

Numerous studies support the link between violent crime and alcohol consumption. In a 1997 alcohol alert study conducted by the National Institute on Alcohol Abuse and Alcoholism, alcohol is more closely associated with crimes of violence than any other substance. The percentage of violent offenders who were drinking at the time of the offense include: 86 percent of homicides, 37 percent of assaults, 60 percent of sexual assaults, 57 percent of marital violence by men, 27 percent of marital violence by women and 13 percent of child abuse.

A 1998 study by the National Center on Addiction and Substance Abuse at Columbia University, titled “*Behind Bars: Substance Abuse and American’s Prison Population*” found that 21 percent of state inmates incarcerated for violent crimes were under the influence of alcohol (and no other substance) at the time of the offense, compared with three percent under the influence of cocaine alone and one percent under the influence of heroin alone. Another finding by this study states the number one substance abuse crime in America is drunk driving, accounting for 1.4 million arrests in 1995 at a cost of \$5.2 billion for arrests and prosecutions.

The basis of the agency strategy to protect the public is initially through education. The informed individual, who is knowledgeable of the facts and aware of the consequences, makes better decisions concerning varying issues one may confront. The efforts of education can improve the likelihood that both juveniles and adults can eliminate the decisions which may lead to excessive or illegal consumption of alcoholic beverages which, in turn, may lead to violent crimes. Violent crime may also be deterred by consistent punishment of violations and a regular presence of authority. Programs which address regular inspections and investigations of all complaints received by the agency also support this benchmark. For this goal, the agency performance benchmark is: “The percentage of retailers found to comply with state

laws forbidding the sale or service of alcoholic beverages to persons under 21 years of age.” This measure not only measures overall performance of the division but is also directly tied to a key activity - age law compliance checks (minor stings).

When examining the past two years and looking at the percentages, only a slight change has occurred. In fiscal year 1998, 80 percent of the retailers were found complying with state laws forbidding the sale or service of alcoholic beverages to persons under 21 years of age, while only 74 percent of the retailers were found to comply with state laws forbidding the sale or service of alcoholic beverages to persons under 21 years of age in fiscal 1999. In the current fiscal year, percentage of retailers found to comply with state laws forbidding the sale or service of alcoholic beverages to persons under 21 years of age stands at 80 percent.

Goals 2 and 3 - Licensing and Compliance with the Alcoholic Beverage Code

The statewide economic development goal: “To foster economic opportunity, job generation, and capital formation by providing quality business services, preparing the work force for productive employment, and supporting infrastructure development” is supported by the agency’s licensing and compliance goals and strategies. The relating strategies are: (1) ensure compliance with laws regarding ownership of permits and licenses, tax security and other licensing requirements; (2) inspect, analyze and investigate all segments of the industry and initiate actions, whether educational or punitive; and (3) strategically place personnel to regulate importation of alcoholic beverages and cigarettes.

These agency strategies ensure compliance with the statutory scheme of manufacturing, wholesaling and retailing and consistently applied qualifications for a permit or license to create an atmosphere and business climate supporting fair competition and lawful trade practices. With the consuming public and the state’s interest in tourism, it is imperative that the agency ensure each applicant is equally qualified and remain in business through fair competition and market demands. Only on this type of level playing field will businesses, large and small, flourish.

The statewide benchmarks of per capita gross state product and Texas employment rate are directly affected by both strategies. The ever-growing population of the State of Texas, coupled with the expected increase in population of individuals above the age of a minor, indicates that the demand for sale of alcoholic beverages will continually rise. The increased sales will provide additional job opportunities as well as increased economic growth in the state. In order for the agency to make its contribution toward this agency’s benchmark, applications must be timely and efficiently processed. The agency’s licensing performance benchmark is its key measure: “Percentage of original license/permit applications processed within 14 days.” During fiscal 1998, the licensing department reported an astounding 97 percent of original license/permit applications were processed within 14 days. Then, in fiscal year 1999, 96 percent of original license/permit applications were processed within 14 days. Currently, the licensing department reports 95 percent of original license/permit applications have been processed within 14 days. Considering the process of license/permit applications plays a large role in the agency’s functions, the overall high percentages are incredible. Not only are license/permit applications an important function of the agency, but they are equally, if not more important, to the applicant waiting for it to process in a timely manner.

In performing all of its many functions, the compliance department receives many requests for information regarding financial and compliance aspects of the Alcoholic Beverage Code. To encourage voluntary compliance with the law and help licensees and permittees remain in business, the agency's compliance performance benchmark is: "Average information requests or inquiries processed per FTE." For fiscal year 1998, an average of 423 information requests and inquiries were processed per full-time employee. The average grew in fiscal year 1999, when reportedly 526 information requests and inquiries were processed per full-time employee. Currently, the first half of fiscal year 2000, the average number of information requests and inquiries is 295.

General Government

"To support effective and efficient state government operations" is and should always be a goal of all state government. The statewide benchmarks indicated by "The number of state employees per 10,000 population" and "State administrative cost rate as a percent rate of U.S. average" are supported by each strategy of the commission as the agency is guided by its own philosophy and values in efficiently and cost effectively executing its statutory duties and responsibilities. The leadership of the agency is particularly proud of on-going efforts to emphasize employee commitments to providing the best service at the lowest possible cost while maintaining the highest ethical and professional behavior. This philosophy, in addition to consistently apply the law and policies and communicating openly with the public, forms the underlying basis upon which each of the agency's strategies are based.

SELF-EVALUATION AND OPPORTUNITIES FOR IMPROVEMENT

As the agency continues to meet 100 percent of its key performance measures, it is noteworthy the staff realizes positive performance in other meaningful areas. As a work group reviews itself and its operation, oftentimes, it is generally stated what was not accomplished rather than what was accomplished. During the current year of the strategic planning process, the agency staff noted endeavors in a wide range of issues.

Educational initiatives continue to reach an ever-increasing number of "customers" throughout the state. Project SAVE is well received by the educational community, as well as the students. Shattered Dreams elicits the recognition of the stark realities of underage drinking and is a program sought after by schools and law enforcement entities alike. The co-sponsored Power Camps which seek to develop young leaders are increasing rapidly in size and number.

Industry members and agency employees alike acknowledge the benefits of programs which are both educational and punitive, such as the Cops In Shops for off-premise locations and COPS for on-premise locations. The positive interaction of retailers at the location sites with agency personnel provide continuing educational opportunities which enhance one's ability to comply with the existing statutes and rules of the commission.

Issues arising from underage drinking will continue to be of primary concern. The agency has new or expanded programs to focus not only agency attention but community attention to the issue. The hotline to report underage drinking has been successful, and Safe Prom/Graduation

and Operation Fake Out has focused attention on the efforts of the underage to use false identification to obtain access to alcohol.

Such efforts to educate the public, the industry and young people will continue, but the challenge and, perhaps, the opportunity facing the agency is one of finding the means to further expand successful programs and to develop new programs in equal or better quality, all while facing the very real limitations imposed by a growing population, a scarcity of staff and other resources and an ever-changing business climate. These limitations may well result in the necessity of directed priorities.

The agency has had some success to date in enhancing its performance through the medium of electronic communication. The agency has expanded its technology base across the state and has made a great deal of important information directly available to citizens through the Internet. Further opportunities along this line exist and will be pursued; however, exploitation of those opportunities will be hindered by several factors.

The size of the agency's information resources staff is limited and will, in all likelihood, continue to be so in the future. Further, some functions of the agency, like the processing and issuance of licenses, will continue to require manual activity because not all of the agency's customers have the capacity for electronic communication. Even those industry members and others who do have such capacity occasionally use equipment that is not compatible with agency equipment.

Perhaps the most promising area for technology enhancement is internal to the agency. It is certainly possible and desirable to reduce the amount of staff time devoted to administrative duties rather than customer driven goals through improved electronic communication and processing. However, this requires sufficient resources to purchase appropriate equipment and train employees in its use.

Modern technology will impact this agency's future performance in another fundamental way. Countless ways of marketing, selling and distributing alcoholic beverages that were inconceivable at the time the Alcoholic Beverage Code was adopted are possible through electronic commerce. Further, the pace at which commercial practices change is now constant. This presents great challenges to a regulatory agency. It will be of primary importance for the agency to identify and help remove outdated and unnecessary impediments to efficient commerce without jeopardizing the health, safety, welfare and temperance of the people.

The previous strategic plan identified continuous improvement as a key to success and that effective evaluations relaying key information must be developed and utilized to ensure that improvement. The seller-server training program underwent such review and, together with various segments of the industry and community, the program was dissected and amendments were adopted to improve the knowledge and commitment of the trainee, to improve the effectiveness of the trainer and ensure commitment of the proper sale of alcohol by the management of the retail level within the industry. The opportunity now exists to continually review the changes to ensure the results which were desired are met. The ultimate result of well informed, deeply committed employees of the retail alcoholic beverage industry translates

into a safer environment for all Texans and opportunities for the youth of the state to achieve their goals without tragedy. The commission has a number of programs which are currently being evaluated and this process must be ongoing in all areas of the agency. Effective evaluations are imperative, not only to ensure the agency remains focused on goal attainment, but to ensure the maximum value is obtained from the agency's limited resource base.

In prior strategic plans, the agency noted the need for external communication with customers in all segments of the alcoholic beverage industry, communities and other governmental groups. While the agency takes some pride in greatly expanding the communication base with its external customers, the agency notes it failed to achieve such success internally. Greater progress in external communication is desired and will be continually pursued. Nevertheless, some attention must be focused on the internal customers. To fully support the goals of the agency, employees must be informed and knowledgeable. Communication must be enhanced through all levels of the organization, continuing both upward and downward, to ensure tasks undertaken are fully understood, completed within a reasonable time and performed with a spirit of cooperation and enthusiasm.

As noted earlier, the commission is positive in its assessment of communication with its external customers; however, there still exists areas where improvements may be realized with the alcoholic beverage industry. The agency must continue to review its rules in a manner which involves interaction with and input from the industry and community groups. As underage drinking oftentimes takes the forefront of issues, the agency must ensure proper attention is afforded issues of complaint regarding other areas of the Alcoholic Beverage Code and that these issues are resolved expeditiously. Progress is occurring in this area due to the further development and expansion of oversight in marketing practices and other areas of the code by the compliance officers. The agency must strive to ensure that the staff involved receive proper training as more information about industry operations is acquired through investigations and observations.

As the agency moves forward in areas of technological advancement and interaction with external groups, it must also stay attuned to the needs of its staff. Agency supervisors must create ways to motivate and inspire a workforce facing a plethora of tasks which must all be considered a priority. It would be unwise to assume the supervisors in all areas of the agency can achieve such levels without the support of all levels of management. As the employees are the agency's most valuable resource, providing opportunities for employees to develop and enhance their skills and abilities to the highest level attainable shall continue to be an ongoing challenge.

TABC Goals

1. **To promote the health, safety and welfare of the public and to regulate the alcoholic beverage industry by taking positive steps to foster voluntary compliance with the law through a combination of enforcement and education.**

[Vernon's Texas Alcoholic Beverage Code: Chapters: 2, 61, 101 (Subchapters B & D), 103, 105, 106, 107, 108 and 251. Vernon's Texas Alcoholic Beverage Code: Sections: 1.03, 5.33, 5.36, 5.38, 6.01, 11.01, 11.46, 11.61, 11.68, 25.06, 28.0, 32.14, 32.15, 37.07, 37.09, 38.03, 39.21, 39.31, 39.32, 40.05, 51.03-.04, 63.04, 67.01, 69.06, 104.01, 109.33, 109.35 and 109.53.]

2. **To process alcoholic beverage license/permit applications and to issue licenses/permits in compliance with the Alcoholic Beverage Code.**

[Vernon's Texas Alcoholic Beverage Code: Chapters: 6-52, 61-74, 102, 103, 109, 204 and 251. Vernon's Texas Alcoholic Beverage Code: Sections 5.50, 6.02 and 101.69.]

3. **To ensure compliance with the Alcoholic Beverage Code in the manufacturing, importing, exporting, transporting, storing, selling, serving and distributing of alcoholic beverages.**

[Vernon's Texas Alcoholic Beverage Code: Chapters: 102, 106, 107, 108, 109, 201, 202, 203, 204, 205 and 206. Vernon's Texas Alcoholic Beverage Code: Sections: 5.32, 5.37, 5.41, 5.51, 6.01 and 11.61.]

4. **To carry out developed agency policies governing purchasing and public works contracting that foster meaningful and substantive inclusion of historically underutilized businesses.**

Goals, Objectives, Strategies, and Outcome/Output Measures

GOAL 01: ENFORCEMENT

To promote the health, safety and welfare of the public and to regulate the alcoholic beverage industry by taking positive steps to foster voluntary compliance with the law through a combination of enforcement and education.

OBJECTIVES/OUTCOME MEASURES

STRATEGIES/OUTPUT MEASURES

01 Detect and Prevent Violations of the Law

To act to detect and to prevent violations of the law in such a manner that, by fiscal year 2003, 90% of criminal cases filed result in convictions, 98% of all administrative cases filed by enforcement agents result in suspensions or cancellations, 70 percent of all licensed establishments are inspected annually, 88% of all complaint investigations are closed within 60 days, 82% of all licensees responding to post-inspection surveys rate agency enforcement services as satisfactory or better, and those tested before and after attending Project SAVE presentations demonstrate average gain in program content knowledge of at least 100%.

Outcome Measures

- 01 Percentage of Licensed Establishments Inspected Annually
- 02 Percent of Criminal Cases Resulting in Conviction
- 03 Percent of Administrative Cases Filed by Enforcement Agents Resulting in Suspension or Cancellation
- 04 Percent of Persons Demonstrating Greater Knowledge of Program Content
- 05 Percent of Agency Contacts Rating Enforcement Actions as Satisfactory or Better
- 06 Percentage of Complaint Investigations Closed within 60 Days

01 Deter and Detect Violations

Deter and detect violations of the Alcoholic Beverage Code by inspecting licensed establishments, by investigating complaints and by providing or sponsoring educational programs that promote voluntary compliance and increase the public's awareness of the state's alcoholic beverage laws.

Output Measures

- 01 Number of Inspections Made
- 02 Number of Persons Instructed by the Agency
- 03 Number of Youth Instructed by the Agency

Efficiency Measures

- 01 Average Cost Per Inspection
- 02 Average Cost Per Person Instructed by Agency

Explanatory/Input Measures

- 01 Number of Administrative Cases Settled
- 02 Number of Criminal Cases Settled
- 03 Number of Criminal Violations Found during Inspections
- 04 Number of Licensed Establishments Subject to Inspection
- 05 Number of Investigations Opened
- 06 Number of Administrative Violations Found During Inspection

GOAL 02: LICENSING

To process alcoholic beverage license/permit applications and to issue licenses/permits in compliance with the Alcoholic Beverage Code.

OBJECTIVES/OUTCOME MEASURES

STRATEGIES/OUTPUT MEASURES

01 Licensing

Process applications for permits and licenses in an efficient and timely manner such that by fiscal year 2003 the average permit/license processing time is 14 days in the headquarters office.

Outcome Measures

- 01 Percent of Original License/Permit Applications Processed Within 14 Days
- 02 Percent of Agency Clients Expressing Satisfaction with Licensing Process

01 Licensing

Ensure compliance with laws regarding ownership of permits/licenses, tax security, and other licensing requirements.

Output Measures

- 01 Number of Applications Processed
- 02 Number of Licenses/Permits Issued

Efficiency Measures

- 01 Average Cost Per License/Permit Processed

GOAL 03: COMPLIANCE AND TAX COLLECTION

To ensure compliance with the Alcoholic Beverage Code in the manufacturing, importing, exporting, transporting, storing, selling, serving and distributing of alcoholic beverages.

OBJECTIVES/OUTCOME MEASURES

01 Compliance and Tax Collection

Monitor all tiers of the alcoholic beverage industry and conduct inspections, analyses, investigations and other activities to encourage maximum voluntary compliance with the Alcoholic Beverage Code.

Outcome Measures

- 01 Percent of Inspections, Analyses and Compliance Activities Resulting in Administrative or Compliance Actions
- 02 Percent of Report Analyzations (including analyzations of tax reports) Resulting in Administrative or Compliance Actions
- 03 Percent of Agency Contacts Expressing Satisfaction with Compliance Functions

STRATEGIES/OUTPUT MEASURES

01 Compliance Monitoring

Inspect, investigate and analyze all segments of the alcoholic beverage industry and initiate any necessary compliance and/or administrative actions for failure to comply, while providing instruction to promote voluntary compliance.

Output Measures

- 01 Number of Inspections, Analyses and Compliance Activities
- 02 Number of Compliance and/or Administrative Actions (including tax report actions)
- 03 Number of Reports Analyzed (including tax reports) Regarding Inter-State and Intra-State Distribution of Alcoholic Beverages

Efficiency Measures

- 01 Average Cost Per Compliance Activity

Explanatory Measures

- 01 Number of Licensees/Permittees Subject to Compliance Activity
- 02 Number of Licensees/Permittees Subject to Report Analyzation (including tax report analyzations)

GOAL 03: COMPLIANCE AND TAX COLLECTION (cont'd)

To ensure compliance with the Alcoholic Beverage Code in the manufacturing, importing, exporting, transporting, storing, selling, serving and distributing of alcoholic beverages.

OBJECTIVES/OUTCOME MEASURES

STRATEGIES/OUTPUT MEASURES

02 Ports of Entry

Ensure maximum compliance with laws regulating the personal importation of alcoholic beverages and cigarettes at ports of entry.

Outcome Measures

- 01 Revenue as a Percent of Expenses
- 02 Illegal Containers of Alcoholic Beverages and Packages of Cigarettes as a Percent of Total Containers and Packages Imported

01 Ports of Entry

Identify high traffic loads and strategically place personnel or equipment at ports of entry to more effectively regulate the personal importation of alcoholic beverages and cigarettes.

Output Measures*

- 01 Number of Alcoholic Beverage Containers and Cigarette Packages Stamped
- 02 Number of Alcoholic Beverage Containers and Cigarette Packages Confiscated

Efficiency Measures

- 01 Average Cost Per Container of Alcoholic Beverage Container or Cigarette Package Imported/Confiscated

*These measures represent explanatory measures as the agency has no control over the number of alcoholic beverages or cigarette packages that are imported.

GOAL 04: HISTORICALLY UNDERUTILIZED BUSINESSES (Non-budgeted)

To carry out developed agency policies governing purchasing and public works contracting that foster meaningful and substantive inclusion of historically underutilized businesses.

OBJECTIVES/OUTCOME MEASURES

01 HUBs

To include HUBs in a least: 1) 12.6% of commodities contracts; 2) 33% of services contracts; 3) 20% of professional and consulting contracts; 4) 57.2% of all special trade construction contracts; 5) 11.9% of heavy construction contracts; and 6) 26.1% of all other building construction contracts. These objectives will be measured as the total value of contracts and subcontracts awarded annually by the agency from fiscal year 2001 through fiscal year 2005.

Outcome Measures

- 01 Percent of Total Dollar Value of Purchasing Contracts and Subcontracts Awarded to Qualified HUBs.

STRATEGIES/OUTPUT MEASURES

01 Increased Use of HUBs

To continue the implementation of the agency's internal HUB policy dated November 15, 1995 for increasing the use of HUBs through purchasing and public works contracts and subcontracts.

Output Measures

- 01 Aggregate Number of HUB Contractors and Subcontractors Contacted for Bids.
- 02 For Each Purchasing Category, the Number of HUB Contracts and Subcontracts Awarded.
- 03 For Each Purchasing Category, the Dollar Value of HUB Contracts and Subcontracts Awarded.
- 04 Number of HUB Related Economic Opportunity Forums, Trade Shows, and Seminars Attended for Increasing the Agency's Outreach and Utilization of HUB Vendors.

APPENDIX A
AGENCY PLANNING PROCESS

Agency Planning Process

Organization of the current strategic planning process began in early February. To prepare for the process, staff members were requested to review, analyze and consider, at a minimum, the prior year's strategic plan, action plans, performance measures, new initiatives, technology, comparisons to other states/agencies, internal and external surveys, agency resources, funding sources and changes and needs in the environment.

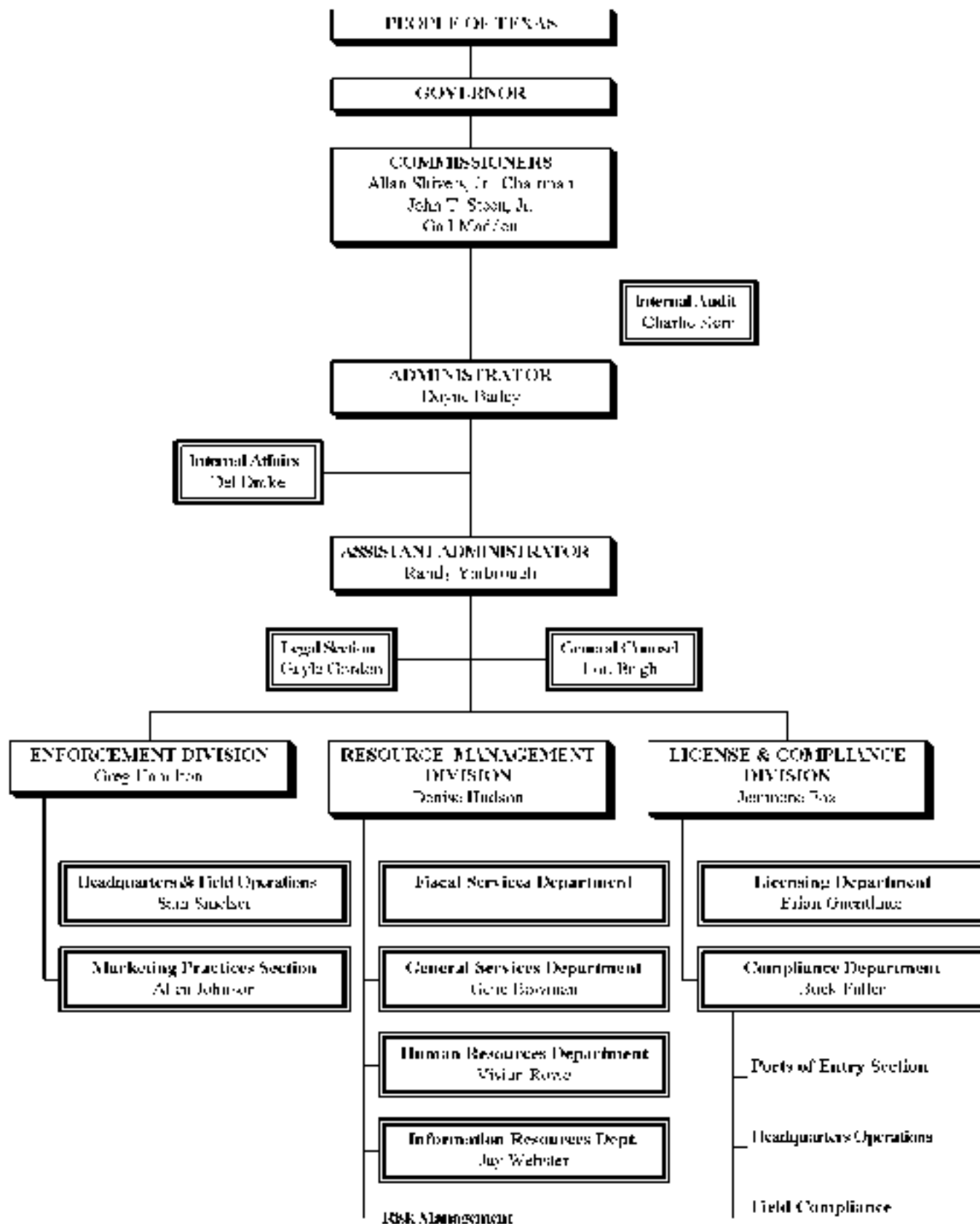
As in the past, input was solicited from agency employees as well as external customers. These customers represent a wide range of citizens representing the alcoholic beverage industry, school systems, law enforcement, neighborhood groups and those groups concerned with the consumption of alcohol. Field staff representing all areas of the state, as well as program groups, actively participated in the process with headquarters staff either in person or with written survey.

TABC employees were invited to comment in three basic areas: significant accomplishments of the agency in the last two years, major issues facing the agency and what can we do better. The agency continues to have informative, ongoing interaction with the alcoholic beverage industry during the rule making process. This process, in and of itself, provides valuable insight in the planning process. In addition to this interaction, those external to the agency were asked to comment in areas where the agency has done well, performed poorly, met the needs of the people of the state and opportunities for change.

Collectively, the functional programs, as well as support departments, were reviewed in depth, noting both positive and negative features and functions. Differing from previous years, all participating staff members aided in the review and fine-tuning of the stated mission, philosophy, goals and measures of the agency. Input gathered both externally and internally were reviewed in the same manner and, collectively, the staff, both headquarters and field representatives, determined the processes needing improvement and the opportunities ahead.

On May 22, 2000, the strategic plan was adopted by the three-member commission as the plan for the five year period ending August 31, 2005.

APPENDIX B
CURRENT ORGANIZATIONAL CHART



APPENDIX C

FIVE YEAR PROJECTIONS FOR OUTCOMES

Five Year Projections for Outcomes

Goal 01: Enforcement

| Outcome | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|-------------|-------------|-------------|-------------|-------------|
| Percentage of Licensed Establishments Inspected Annually | 70 | 70 | 70 | 70 | 70 |
| Percent of Criminal Cases Resulting in Conviction | 90 | 90 | 90 | 90 | 90 |
| Percent of Administrative Cases Filed by Enforcement Agents Resulting in Suspension or Cancellation | 98 | 98 | 98 | 98 | 98 |
| Average Percentage Gain in Participants' Knowledge of SAVE Program Content | 135 | 135 | 135 | 135 | 135 |
| Percent of Agency Contacts Rating Enforcement Actions as Satisfactory or Better | 82 | 82 | 82 | 82 | 82 |
| Percentage of Complaint Investigations Closed Within 60 Days | 88 | 88 | 88 | 88 | 88 |

Goal 02: Licensing

| Outcome | 2001 | 2002 | 2003 | 2004 | 2005 |
|--|-------------|-------------|-------------|-------------|-------------|
| Percent of Original License/Permit Applications Processed Within 14 Days | 94% | 94% | 94% | 94% | 94% |
| Percent of Agency Clients Expressing Satisfaction with Licensing Process | 93% | 93% | 93% | 93% | 93% |

Five Year Projections for Outcomes

Goal 03: Compliance and Tax Collection

| Outcome | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|-------------|-------------|-------------|-------------|-------------|
| Percent of Inspections, Analyses and Compliance Activities Resulting in Administrative or Compliance Actions | 25.5% | 25.5% | 25.5% | 25.5% | 25.5% |
| Percent of Report Analyzations Resulting in Administrative or Compliance Actions | 23% | 23% | 23% | 23% | 23% |
| Percent of Agency Contacts Expressing Satisfaction with Compliance Functions | 97% | 97% | 97% | 97% | 97% |
| Revenue as a Percent of Expenses | 120% | 134% | 125% | 125% | 125% |
| Illegal Containers of Alcoholic Beverages and Packages of Cigarettes as a Percent of Total Containers and Packages Imported | .55% | .45% | .45% | .45% | .45% |

APPENDIX D

PLANNING & BUDGET STRUCTURE
PERFORMANCE MEASURE DEFINITION

Planning & Budget Structure

Performance Measure Definition

Goal 1: To promote the health, safety and welfare of the public and to regulate the alcoholic beverage industry by taking positive steps to foster voluntary compliance with the law through a combination of education and enforcement.

Outcome Measures

01 Percentage of Licensed Establishments Inspected Annually

Short Definition:

The percentage of licensed establishments inspected during the year by enforcement agents, expressed as a ratio of the number of individual establishments subject to inspection.

Purpose/Importance:

This outcome is intended to measure the degree of coverage achieved by enforcement agents during a specified period. Adequate coverage is deemed important because of the deterrent effect of the expectation of inspection and because inspections give licensees the opportunity to ask questions and receive answers that might prevent future, unintentional violations.

Source/Collection of Data:

The data required to calculate the measure comes from the agency's automated agent activity inspection records and from its automated licensing records. Records of the inspections conducted by agents are created as agent daily activity reports and are data-entered by field personnel. An automated licensing record is created for each licensee by data entry of information from the licensee's application at the time of application and updated at the time of approval and at the time of each subsequent renewal or change. The values reported for this measure are taken from either of the automated reports RPT.E.171, RPT.E.213.2 or RPT.E.215.2.

Method of Calculation: The measure is calculated by dividing the number of individual establishments actually inspected during a particular period by the number of licensed establishments subject to inspection during the same period. The number of individual establishments inspected is derived by first finding all inspection records for the inspections conducted during a specified period of time and then by sorting out inspection records with duplicate CLP's (alpha/numeric license identifiers unique to each establishment), leaving one record for each CLP and then counting the remainder. The number of establishments subject to inspections is determined by (1) searching the automated licensing files to identify all licensees that were active during the period in question; (2) then sorting out the records of all secondary licenses, leaving just one, the primary license record, for each establishment and finally (3) counting the remaining records.

Data Limitations: The base of the ratio (the number of licensed locations) constantly changes as businesses enter or leave the industry. The speed and magnitude of this change are beyond the agency's control and can influence this measure.

Calculation Type: The measure is cumulative in nature but not fully cumulative due to the constant entry and exit of businesses from the industry.

New Measure: No.

Desired Performance: At or above target.

**02 Percent of Criminal Cases
Resulting in Conviction**

Short Definition: Percentage of criminal cases for which dispositions were received during the period in question with actions other than dismissed, refused or acquitted, expressed as a ratio of the total number of criminal

cases for which dispositions were received during the same time period.

Purpose/Importance:

This measure is intended to demonstrate the quality of the criminal cases filed by enforcement agents and is essentially the agency's "win" ratio for cases receiving final disposition.

Source/Collection of Data:

The data required for the calculation of this measure comes from the agency's criminal citation records and from a process by which the agency obtains criminal case dispositions from local courts and uses that information to update its citation records. Automated criminal citation records are created for all criminal charges filed by enforcement agents. These records are updated as disposition information is received. Disposition information comes from two sources: (1) case disposition cards that are completed by the clerks of the various courts when cases reach final disposition and that are picked up by enforcement agents or returned by mail to the agency and (2) semiannual manual or computer-aided searches of court records by agents. The values reported for this measure are taken from either automated report RPT.E.171 or RPT.E.215.2.

Method of Calculation:

The measure is calculated by dividing the number of criminal cases filed by TABC enforcement agents that are settled during a particular period of time with final dispositions other than dismissed, refused or acquitted by the total number of criminal cases filed by TABC enforcement agents that were disposed of (settled) during the same time period. (Note: Cases whose disposal is reached by referral to other agencies - juvenile courts, INS, etc. - are counted as "wins.")

Data Limitations:

This measure is impacted by information from the local courts that, due to the

inadequate state of automation in the courts and to the failure of court clerks to advise agencies of dispositions, must often be obtained through repeated, time-consuming manual searches of court disposition records. As only a token amount of agency manpower is available for this task, the net result is that dispositions are grossly under reported and those that are received cannot be said to be representative of the whole. Another weakness is the lapse time between the issuance of a citation and the final disposition of the criminal case. As a general rule, the lapse is so great that it is seldom that the dispositions used in the calculation of this measure during a particular quarter actually pertain to cases filed in that quarter.

Calculation type:

Noncumulative.

New Measure:

No.

Desired Performance:

At or higher than target.

**03 Percent of Administrative Cases
Filed by Enforcement Agents
Resulting in Suspension or
Cancellation**

Short Definition:

Percent of administrative cases filed by enforcement agents that, during a specified period of time, resulted in the suspension or cancellation of licensing privileges or, where the agency was restrained from taking action by operation of Section 106.14 of the Alcoholic Beverage Code, in an admission of guilt or a nolo contendere response to the charges filed, expressed as a ratio of all administrative cases reaching final disposition during the same time period.

Purpose/Importance:

This measure is intended to demonstrate the quality of the administrative cases filed by enforcement agents and is essentially the

agency's "win" ratio for cases receiving final disposition.

Source/Collection of Data:

The data required for the calculation of this measure comes from the agency's automated administrative case (docket) records. Docket records are created by the data entry of hard copy "Waiver of Hearing" or "Request for Hearing" packages that are forwarded to headquarters for each administrative case filed by enforcement agents. After original entry, docket records are updated as dispositions are reached. The values reported for this measure are taken from either automated report RPT.E.171 or RPT.E.215.2.

Method of Calculation:

The measure is calculated by dividing the number of agent-generated administrative cases that were settled during a particular period of time with final dispositions of "suspension," "cancellation," or "restrained" by the total number of agent-generated administrative cases which were disposed of (settled) during the same time period. The number of agent-generated administrative cases that were "wins" during a particular period of time is determined by an automated search of the dockets file for all cases with origin codes of "E" (enforcement), disposition statuses of "O" (order), order dates falling within period of interest and disposition types of "S" (suspension), "C" (cancellation), or "R" (restrained) and then by counting the records found. The total number of administrative cases settled during the same period is found in very much the same manner. The only difference is that for this search, specific disposition types are not part of the search criteria.

Data Limitations:

The only problem with this measure is that a lengthy time lapse can occur between filing and final disposition if an

administrative case is contested. However, most cases are settled by waiver without a hearing and receive dispositions almost immediately.

Calculation Type:

Noncumulative.

New Measure:

No.

Desired Performance:

On target or higher.

**04 Average Percentage Gain in
Participants' Knowledge of SAVE
Program Content**

Short Definition:

Average percentage change in the group mean test scores of program participants with the scores determined by pretests administered before instruction and by post tests administered after instruction and with the group means of each individual sample determined by t-test. This is the average of the changes observed in group (individual sample) average (mean) scores between the time of the pretest and time of the post test.

Purpose/Importance:

This measure is intended to be a quality measure for the educational programs that enforcement agents present to school children. It provides indication of short-term program effectiveness.

Source/Collection of Data:

The data required for this measure will be acquired from pretest and post test questionnaires administered to selected samples of program participants. Responses are graded in terms of the participants knowledge of the content covered by the program. The response scores for each individual are totaled to derive a test grade for each respondent and then recorded along with the test grades for the other respondents in the group.

Method of Calculation:

The measure calculated by determining the pretest and post test mean scores for each group (sample) by use of the t-test method and then using the formula seen below to

calculate the average percentage change in the mean scores of the groups tested.

n_1 = number of persons taking pretest in each sample

n_2 = number of persons taking post test in each sample

avg_1 = average score of those taking pretest in each sample

avg_2 = average score of those taking post test in each sample

$$\%Change = ((\sum n_2 * avg_2 / \sum n_2) / (\sum n_1 * avg_1 / \sum n_1) - 1) * 100$$

Data Limitations:

The primary threat to validity is representativeness of the samples of program participants who are tested (convenience sampling, not random sampling, is employed by the agency due to cost). Other threats include a vast number of uncontrolled variables among which are differences in instructor skill levels, differences in the students' initial knowledge, differences in core student beliefs and attitudes, and variances in sample group composition, especially in terms of socioeconomic, ethnic and gender variables. Also, because control groups are not used, the measure is also subject to the effects of environmental changes.

Calculation Type:

Noncumulative.

New Measure:

No.

Desired Performance:

Above target. In time, however, as individual groups of students take successive "building block" programs, we would expect group changes to be bimodal, with the groups new to the Project SAVE programs scoring higher gains while the gains for the groups that have taken earlier programs should be substantially smaller.

**05 Percent of Agency Contacts
Rating Enforcement Actions as
Satisfactory or Better**

| | |
|-------------------------|--|
| Short Definition: | Percent of responses in returned post-inspection surveys indicating satisfaction with or positive feelings towards the conduct of agency enforcement agents, represented as a ratio of the number of responses found in returned surveys. |
| Purpose/Importance: | The purpose of this measure is to serve as a gauge of licensee satisfaction with the agency's enforcement methods and the conduct of its enforcement agents. |
| Source/Data Collection: | The data required for this measure is compiled from returned post-inspection licensee surveys. Each month, surveys are mailed to 10 percent of the licensed establishments that were inspected by enforcement agents during the preceding month. The surveys contain five questions that attempt to gage the degree of licensee satisfaction with agency enforcement practices and agent behavior using a Likert type scale. When completed, surveys are returned to the agency, the respondent's answers to these questions are recorded and then analyzed. |
| Method of Calculation: | The measure is calculated by dividing the number of positive responses to survey questions by the total number of question responses found in returned post-inspection surveys. The number of positive survey responses is calculated by counting the number of recorded question responses that fell within the positive end of the Likert range used. |
| Data Limitations: | Low response rates compromise the representativeness of the data and preclude any generalization of the results. |
| Calculation Type: | Noncumulative. |

| | |
|----------------------|---------------------|
| New Measure: | No. |
| Desired Performance: | Higher than target. |

06 Percentage of Complaint Investigations Closed Within 60 Days

| | |
|-------------------|--|
| Short Definition: | Percent of complaint investigations where “closed” (completed) during a specified period time that were closed with 60 days of the date on which they were received and “opened,” expressed as a ratio of the total number of complaints closed during the same time period. |
|-------------------|--|

| | |
|---------------------|--|
| Purpose/Importance: | This measure provides information regarding the timeliness of service delivery in response to a specific type of customer request for service (complaints concerning licensed establishments). |
|---------------------|--|

| | |
|----------------------------|--|
| Source/Collection of Data: | The data required to calculate the measure is compiled from the records found in the agency’s automated complaint tracking system. The agency personnel create an automated complaint record each time a complaint is received from the public concerning a licensed establishment and then update the record at the conclusion of the investigation to record the specific actions taken by the agents assigned to the investigations and the investigation’s outcome. The complaint received date is recorded when the record is first created and the “date closed” is noted at the time of final entry. The values reported for this measure are taken from either automated report RPT.E.171, RPT.E.210.2 or RPT.E.215.2. |
|----------------------------|--|

| | |
|------------------------|--|
| Method of Calculation: | The number of complaints closed within a specified period of time are identified by virtue of the closure dates contained in the related automated complaint records, and from these, the number closed within 60 days of the date of their original receipt is found by comparing the “date opened” |
|------------------------|--|

recorded in each record with the recorded “date closed” in each record. Then the number closed within 60 days of the date on which they were opened is divided by the total number of complaints closed during the period of interest to derive the ratio that is reflected in this measure.

Data Limitations:

Two factors that can influence this measure are outside the agency’s control. These are (1) the absolute number of complaints received and (2) the complexity of the complaints received. Either can effect the value of the measure.

Calculation Type:

Noncumulative.

New Measure:

No.

Desired Performance:

Higher than target.

Output Measures

01 Number of Inspections Made

Short Definition:

The number of inspections of licensed premises conducted by agency enforcement agents during a specified period of time.

Purpose/Importance:

The term “inspection” extends to everything enforcement agents do except when in the office or engaged in educational activities. Counting them provides an accurate representation of the number of times agents have had physical contact with licensed premises and citizens in the course of street enforcement activities. They are, in effect, service stops, points at which law enforcement services were provided by agents.

Source/Collection of Data:

The information required to derive the count comes from inspection records in the agency’s agent activity reporting system. Each individual inspection made by an agent is noted in the agent’s daily activity report. When these reports are data-

entered, an automated record summarizing each inspection is created. The values reported for this measure are taken from either automated report RPT.E.171 or RPT.E.213.2.

Method of Calculation:

The measure is calculated by counting the number of automated inspection records that were originated for activity occurring during a specified period of time.

Data Limitations:

The term “inspection” is applied to a wide variety of service stops. One inspection is not necessarily equal to another in terms of complexity, the specific activities performed or the time and other resources required to conduct it.

Calculation Type:

Cumulative.

New Measure:

No.

Desired Performance:

On target.

02 Number of Persons Instructed by Agency

Short Definition:

The number of people attending educational presentations made by enforcement agents.

Purpose/Importance:

Enforcement agents perform two primary tasks. They enforce the law and they educate the public to prevent violations of the law. The volume of the enforcement division’s public education efforts is represented by this measure.

Source/Collection of Data:

The data for this measure comes from educational program session records stored in the database of the agency’s agent activity reporting system. Agents record information about each program session they teach in their daily activity reports. Automated educational program session records are created when the agent’s daily activity reports are data-entered. Each record identifies the type of program taught, the county in which the session was

held, the number of people taught and the date of the session. The values reported for this measure are taken from either automated report RPT.E.171, RPT.E.211.2 or RPT.E.214.2

Method of Calculation:

The measure is calculated by identifying all automated educational program session records created for sessions held in a specified time period and then summing the attendee counts found in those records.

Data Limitations:

Most of the work to achieve this goal is done during the school year which means that there can be strong seasonal variances during the course of a full fiscal year.

Calculation Type:

Cumulative.

New Measure:

No.

Desired Performance:

On or higher than target.

03 Number of Youth Instructed by the Agency

Short Definition:

The number of school-age persons (Grades K-12) attending educational presentations made by enforcement agents.

Purpose/Importance:

Most of the agency' educational efforts target young people. School-age persons in grades K-12 represent the largest segment of the population attending TABC programs.

Source/Collection of Data:

The data for this measure comes from educational program session records stored in the database of the agency's agent activity reporting system. Agents record information about each program session they teach in their daily activity reports. Automated educational program session records are created when the agent's daily activity reports are data-entered. Each record identifies the type of program taught, the county in which the session was held, the number of people taught and the

date of the session. The values reported for this measure are taken from either automated report RPT.E.171 or RPT.E.211.2.

Method of Calculation:

The measure is calculated by identifying all automated educational program session records created during a specified time period for educational programs that target people in Grades K-12 and then by summing the attendee counts found in those records.

Data Limitations:

Most of the work to achieve this goal is done during the school year which means that there can be strong seasonal variances during the course of a full fiscal year.

Calculation Type:

Cumulative.

New Measure:

No.

Desired Performance:

On or higher than target.

Efficiency Measures

01 Average Cost Per Inspection

Short Definition:

The average unit cost of agency law enforcement services with those services defined in terms of individual inspections.

Purpose/Importance:

The measure provides a method for comparing the cost efficiency of agency law enforcement operations across time.

Source/Collection of Data:

The cost figures comes from the USAS accounting system and consists of those expenditures that are directly and indirectly attributable to the enforcement division operations that occurred over a specified time period. The information required for the inspection counts come from inspection records found in the agency's agent activity reporting system (See Source/Collection of Data Information for "Inspections"). The

CPO work hour totals used to allocate costs between the agency's law enforcement and public education activities also come from agent activity reporting system records. When making the allocations, all direct and indirect costs of the enforcement division not allocated to public education are attributed to the division's law enforcement functions. Note: The values pertaining to CPO work hours are taken from automated report RPT.E.212.

Method of Calculation:

The measure is calculated by dividing the total agency cost of inspections by the number of inspections conducted. The total agency cost of inspections is determined by subtracting the cost of the division's educational activities from the total cost of division operations, a figure which will include the division's share of the agency's administrative overhead expenses. The cost of the division's educational activities is determined by multiplying total cost of division operations by a ratio created by dividing the number of agent work hours spent on educational activities by the total number of hours work by agents.

Data Limitations:

The allocation of agent work hours to various tasks is, at best, an approximation. While it is an approximation made by each agent at the end of their work day, errors can be made, and incorrect approximations will affect the reported value of the measure. Unexpected funding (grants, gifts, forfeiture proceeds, etc.) and the resultant unanticipated spending can also affect the measure's reported value as can personnel turnover and under staffing.

Calculation Type:

Noncumulative.

New Measure:

No.

Desired Performance:

Lower than projected estimate.

**02 Average Cost Per Person
 Instructed by Agency**

| | |
|----------------------------|--|
| Short Definition: | The average unit cost of agency public education services with those services defined in terms of individual persons taught. |
| Purpose/Importance: | The measure provides a method for comparing the cost efficiency of agency public education efforts across time. |
| Source/Collection of Data: | <p>The cost figures comes from the USAS accounting system and consists of those expenditures that are directly and indirectly attributable to the enforcement division operations that occurred over a specified time period. The information required for the inspection counts come from inspection records found in the agency's agent activity reporting system (See Source/Collection of Data Information for "Inspections"). The CPO work hour totals used to allocate costs between the agency's law enforcement and public education activities also come from agent activity reporting system records. When making the allocations, all direct and indirect costs of the enforcement division not allocated to public education are attributed to the division's law enforcement functions. Note: The values pertaining to</p> <p>CPO work hours are taken from automated report RPT.E.212.</p> |
| Method of Calculation: | The measure is calculated by dividing the total cost of the agency's public education efforts by the number of persons instructed by enforcement agents. The cost of the division's educational activities is determined by multiplying the total cost of division operations by a ratio created by dividing the number of agent work hours spent on educational activities by the total number of hours work by agent. |
| Data Limitations: | The allocation of agent work hours to various tasks is, at best, an approximation. |

While it is an approximation made by each agent at the end of their work day, errors can be made, and incorrect approximations will affect the reported value of the measure. Unexpected funding (grants, gifts, forfeiture proceeds, etc.) and the resultant unanticipated spending can also affect the measure's reported value as can personnel turnover and under staffing.

Calculation Type:

Noncumulative.

New Measure:

No.

Desired Performance:

Lower than projected estimate.

Explanatory/Input Measures

01 Number of Administrative Cases Settled

Short Definition:

This measure provides a count of the number of administrative cases originated by enforcement agents that reach the final disposition stage during the reporting period.

Purpose/Importance:

The measure provides interested parties with the denominator of the ratio that is used in the calculation of Outcome Measure 01-01-01-03 (Percentage of Administrative Cases Filed by Enforcement Agents Resulting in Suspension or Cancellation).

Source/Collection of Data:

The data required for the calculation of this measure comes from the agency's automated administrative case (docket) records. Docket records are created by the data entry of hard copy "Waiver of Hearing" or "Request for Hearing" packages that are forwarded to headquarters for each administrative case filed by enforcement agents. After original entry, docket records are updated as dispositions are reached. The values reported for this measure are taken from automated report RPT.E.214.2.

| | |
|------------------------|---|
| Method of Calculation: | The measure is calculated by first conducting an automated search of the dockets file for all cases with origin codes of "E" (enforcement), dispositions statuses of "O" (order) and order dates following within period of interest and then by counting the records found. |
| Data Limitations: | The only problem with this measure is that a lengthy time lapse can occur between filing and final disposition if an administrative case is contested. However, most cases are settled by waiver without a hearing and receive dispositions almost immediately. All the same, the resulting number may include cases that originated in reporting periods other than the one under consideration. |
| Calculation Type: | Cumulative. |
| New Measure: | No. |
| Desired Performance: | None. The measure is reported only for informational purposes. |

02 Number of Criminal Cases Settled

| | |
|----------------------------|---|
| Short Definition: | This measure provides a count of the number of criminal cases originated by enforcement agents for which final dispositions were obtained during the reporting period. |
| Purpose/Importance: | The measure provides interested parties with the denominator of the ratio that is used in the calculation of Outcome Measure 01-01-01-02 (Percentage of Criminal Cases Resulting in Conviction). |
| Source/Collection of Data: | The data required for the calculation of this measure comes from the agency's criminal citation records and from a process by which the agency obtains criminal case dispositions from local courts and uses that information to update its citation records. |

Automated criminal citation records are created for all criminal charges filed by enforcement agents. These records are updated as disposition information is received. Disposition information comes from two sources: (1) case disposition cards that are completed by the clerks of the various courts when cases reach final disposition and that are picked up by enforcement agents or returned by mail to the agency and (2) semiannual manual or computer-aided searches of court records by agents. The values reported for this measure are taken from automated report RPT.E.214.2.

Method of Calculation:

The measure is calculated by counting the number of criminal cases filed by enforcement agents that received a final disposition during a specified period of time.

Data Limitations:

This measure is impacted by information from the local courts that, due to the inadequate state of automation in the courts and to the failure of court clerks to advise agencies of dispositions, must often be obtained through repeated, time-consuming manual searches of court disposition records. As only a token amount of agency manpower is available for this task, the net result is that dispositions are grossly under reported and those that are received cannot be said to be representative of the whole. Another weakness is the lapse time between the issuance of a citation and the final disposition of the criminal case. As a general rule, the lapse is so great that it is seldom that the dispositions used in the calculation of this measure during a particular quarter actually pertain to cases filed in that quarter.

Calculation Type:

Cumulative.

New Measure:

No.

Desired Performance:

None. The measure is reported only for

informational purposes.

**03 Number of Criminal Violations
Found During Inspections**

| | |
|----------------------------|--|
| Short Definition: | The number of the criminal violations found by agents as a result of law enforcement activities (all involve inspections) during a specified period of time. |
| Purpose/Importance: | The measure reports the volume of criminal violations found by enforcement agents over the course of a specified time period. |
| Source/Collection of Data: | The information needed for this measure comes from the agency's criminal citation/criminal warnings records. A criminal citation or warning is completed and then issued to the offender by enforcement agents whenever a criminal violation is observed. Copies of these documents become the source documents for data entry. Data entry of the documents creates automated criminal records containing the information that was on the original documents. Each criminal citation or warning record contains information about one violation. The values reported for this measure are taken from automated report RPT.E.214.2. |
| Method of Calculation: | The measure is calculated by counting the number of criminal records that were created for the criminal citations and warnings issued during a specified period of time. |
| Data Limitations: | Variances can be caused by opportunity bias and seasonal workload. |
| Type of Calculation: | Cumulative. |
| New Measure: | No. |
| Desired Performance: | None. The measure is reported only for informational purposes. |

**04 Number of Licensed
Establishments Subject to
Inspection**

| | |
|----------------------------|--|
| Short Definition: | The number of licensed establishments in operation during a specified time period. |
| Purpose/Importance: | The measure supplies the denominator for Outcome Measure 01-01-01-01 (Percentage of Licensed Establishments Inspected Annually). |
| Source/Collection of Data: | The data required for this measure comes from agency licensing records. An automated licensing record is created for each licensee by data entry of information from the licensee's application at the time of application and updated at the time of approval and at the time of each subsequent renewal or change. The values reported for this measure are taken from automated report RPT.E.213.2. |
| Method of Calculation: | The number of licensed establishments that were subject to inspections is determined by (1) searching the automated licensing filed to identify all licensees that were active during the period in question; (2) then sorting out the records of all secondary licenses, leaving just one, the primary license record, for each establishment and, finally, (3) counting the remaining records. |
| Data Limitations: | The number of licensed locations constantly changes as businesses enter or leave the industry. The speed and magnitude of this change are beyond the agency's control and can influence this measure. |
| Calculation Type: | Noncumulative. |
| New Measure: | No. |
| Desired Performance: | None. The measure is reported only for informational purposes. |

05 Number of Investigations Opened

| | |
|----------------------------|---|
| Short Definition: | The number of complaint investigations initiated during a specified time period. |
| Purpose/Importance: | The number of investigations opened is a function of the number of complaints received. The measure is a service need indicator. |
| Source/Collection of Data: | The data required to calculate the measure is compiled from the records found in the agency's automated complaint tracking system. The agency personnel create an automated complaint record each time a complaint is received from the public concerning a licensed establishment and then updates the record at the conclusion of the investigation to record the specific actions taken by the agents assigned to the investigation and the investigation's outcome. (Note: Each and every complaint results in the opening of an investigation except when a new complaint is received about a specific location and an investigation concerning that location is already in progress. In these cases, the subsequent complaint is added to the ongoing investigation). The values reported for this measure are taken from either automated report RPT.E.171 or RPT.E.210.2. |
| Method of Calculation: | The measure is calculated by conducting an automated search of the complaint records to find all investigations that were opened during the time period specified and then counting the records found. |
| Data Limitations: | The agency has no control over the volume of complaints it receives. |
| Calculation Type: | Cumulative. |
| New Measure: | No. |
| Desired Performance: | None. The measure is reported only for informational purposes. |

**06 Number of Administrative
Violations Found During
Inspections**

| | |
|----------------------------|---|
| Short Definition: | The number of the administrative violations found by agents as a result of law enforcement activities (all involve inspections) during a specified period of time. |
| Purpose/Importance: | The measure reports the volume of administrative violations found by enforcement agents over the course of a specified time period. |
| Source/Collection of Data: | The information needed for this measure comes from the agency's automated administrative case (docket) records and from automated records pertaining to administrative warnings. The warning records are created by data entry of administrative notices that were completed and issued by agents to licensees or to their representatives when minor administrative infractions were observed on the licensee's premises. Docket records are created by the data entry of hard copy "Waiver of Hearing" or "Request for Hearing" packages that are forwarded to headquarters for each administrative case filed by enforcement agents. Both docket records and administrative notice warning records can contain information concerning more than one violation. The values reported for this measure are taken from automated report RPT.E.214.2. |
| Method of Calculation: | First, an automated search is made to find all administrative notice warning records for warning notices issued during a specified time period. All the violations contained in these records are counted and totaled. Then, an automated search is made for all docket records pertaining to administrative cases docketed during the period. All the violations contained in these records are also counted and totaled. Finally, both violation totals are added |

together to obtain the value that will be reported for the measure.

Data Limitations:

These counts are subject to seasonal variances. Also, the time lapse between the violation date and docket date for an administrative case can be so great that the violations from a particular case may not be counted in the same period as they actually occurred.

Calculation Type:

Cumulative.

New Measure:

No.

Desired Performance:

None. The measure is reported only for informational purposes.

Goal 2: To process alcoholic beverage license/permit applications and to issue licenses/permits in compliance with the Alcoholic Beverage Code.

Outcome Measures

01 Percent of Original License/Permit Applications Processed Within 14 Days

Short Definition:

The percentage of original applications processed within 14 days.

Purpose/Importance:

This measure is intended to show the percentage of original permits/licenses issued within 14 days from the date the original application is received in Austin. Fluctuation in this information alerts management to problems and/or changes occurring in the application process.

Source/Collection of Data:

Data entry personnel at headquarters enter into the agency's database all required information on each application received. A record is created for each application. A report is generated at the end of each month extracting information from this database.

Method of Calculation:

This measure is calculated by the mainframe computer system, using

PGM.L.273, (RPT-L-273 Percentage Processed Within 14 Days for MMY) by subtracting the application's received date from the actual process date. The actual process date is the date the application is issued or the date the applicant is notified of any deficiencies with the application. The number of original license/permit applications processed within 14 days is divided by the total number of original license/permit applications processed for the period. The number of applications processed within 14 days is calculated by subtracting the received date from the actual process date. Process date is the date the application is issued or deficiencies with the application are communicated to the applicant.

Data Limitations:

We rely on a verification process to ensure proper recording of data.

Calculation Type:

Noncumulative.

New Measure:

No.

Desired Performance:

Higher percentage than targeted is desirable as it indicates more original applications are being processed faster.

**02 Percent of Agency Clients
Expressing Satisfaction With
Licensing Process**

Short Definition:

The percentage of agency clients expressing satisfaction with the licensing application process.

Purpose/Importance:

From the responses and comments made by our customers, management is able to identify areas in the process which are offensive, confusing or create hardships on the applicant.

Source/Collection of Data:

This information is obtained from the survey responses which are mailed to each applicant receiving an original license/permit. The confidential and

anonymous survey responses are reviewed by management staff. Results are entered in a statistical program (Systat). Reports are generated from this data (Q1-7.WP, Normal1.wp, Normal2.wp, Regions1.wp and Regions2.wp).

Method of Calculation:

Using a survey designed specifically for licensing activities, the number of favorable responses received is divided by the total number of responses.

Data Limitations:

The major limitation of this measure is the low response rate. The customer's dissatisfaction with the statutory requirements, as well as city and county regulations and requirements, are beyond the agency's control and may affect this measure.

Calculation Type:

Noncumulative.

New Measure:

No.

Desired Performance:

Higher percentage than targeted is desirable.

Output Measures

01 Number of Applications Processed

Short Definition:

This measure is intended to reflect the total number of originals, renewals, temporaries and changes processed by the licensing department.

Purpose/Importance:

It provides management with information concerning the total work as to the number of applications processed, including those which require time to maintain the files in a current status.

Source/Collection of Data:

Using various computer programs, PGM.L.255-(RPT-L-060) Licenses & Permits Issued by Class PGM.L.253-(RPT-L-058) Monthly, New, Renewal, Reissued, and PGM.L.250-(RPT-L-056) License Performance Measures, PGM.L.033-RPT-

L-032 Daily Listings of New, Renewal Reissued, Form L-505 Licenses and Permits Assigned to Licensing, Form L-502 New/Renewal Liquor, Form L-503 New/Renewal Beer and Form L-504 Reissued Beer/Liquor.

Method of Calculation:

Using the agency's computer system, this figure represents the number of applications (originals, renewals, temporaries and changes) processed. This measure affects the average license/permit processing time and the average cost per license/permit processed.

Data Limitations:

The number of new businesses requiring licenses, as well as the number of business failures and turnover requiring some type of licensing action can affect this measure.

Calculation Type:

Cumulative.

New Measure:

No.

Desired Performance:

Higher performance is desirable.

02 Number of Licenses/Permits Issued

Short Definition:

This measure provides the number of originals, renewals and temporaries issued in a specific period.

Purpose/Importance:

The number of originals, renewals and temporaries issued determines the revenue generated by the licensing department from license/permit fees and surcharges.

Source/Collection of Data:

Using various computer programs, PM.L.255-(RPT-L-060) Licenses/Permits Issued by Class and PGM.L.253-(RPT-L-058) Monthly New and Renewal, PGM.L.033-(RPT-L-032) Daily Listings of New, Renewal, Reissued, Form L-505 Licenses and Permits Assigned to Licensing, Form L-502 New/Renewal Liquor, Form L-503 New/Renewal Beer and Form L-504 Reissued Beer/Liquor.

| | |
|------------------------|---|
| Method of Calculation: | Using the agency's computer system, this figure represents the number of original, renewal and temporaries issued during the specified time period. |
| Data Limitations: | The economy, population and social trends on alcoholic beverage consumption affect the number of new businesses requiring licenses/permits, as well as the number of businesses failures. |
| Calculation Type: | Cumulative. |
| New Measure: | No. |
| Desired Performance: | Higher performance is desirable. |

Efficiency Measure

01 Average Cost Per License/Permit Processed

| | |
|----------------------------|--|
| Short Definition: | This measure is intended to represent the average cost to process a license or permit. |
| Purpose/Importance: | This measure allows management to monitor costs and control expenditures. |
| Source/Collection of Data: | The expenditure amounts are from reports provided by the USAS accounting system and quarterly indirect cost allocations and PGM.L.255-(RPT-L-060) Licenses & Permits Issued by Class PGM.L.253-(RPT-L-058) Monthly, New, Renewal, Reissued. |
| Method of Calculation: | These costs are divided by the total number of licenses/permits processed including temporaries and changes. Total cost of the licensing function (including the department's share of agencies' administrative overhead expense) divided by the number of applications processed. |
| Data Limitations: | The economy, population and social trends on alcoholic beverage consumption affect the number of new businesses requiring licenses/permits, as well as the number of |

business failures. Indirect costs from other departments also affect this measure.

Calculation Type:

Noncumulative.

New Measure:

No.

Desired Performance:

Lower cost is desirable.

Goal 3: To ensure compliance with the Alcoholic Beverage Code in the manufacturing, importing, exporting, transporting, storing, selling, serving and distributing of alcoholic beverages.

Outcome Measures

01 Percent of Inspections, Analyses and Compliance Activities Resulting in Administrative or Compliance Actions

Short Definition:

The percentage of inspections, analyses and compliance activities during which violations of the Alcoholic Beverage Code and/or rules were detected and an administrative or compliance action was issued.

Purpose/Importance:

This measure is intended to determine the effectiveness of the compliance monitoring system in detecting violations of the Alcoholic Beverage Code and rules. It reflects regulatory duties conducted by compliance personnel to ensure compliance with the Alcoholic Beverage Code and rules.

Source/Collection of Data:

Compliance and administrative actions are entered into the mainframe computer system, or a database, or a manual record is kept. All compliance and administrative actions are added together and compared to inspections, analyses and compliance activities conducted during the reporting period.

Method of Calculation:

The number of administrative or compliance actions issued due to

inspections, analyses and compliance activities by the compliance department divided by the total number of inspections, analyses or compliance activities conducted during the reporting period.

Data Limitations:

The agency's current efforts to train and educate its customers can cause a decrease in the number of inadvertent violations noted and decrease the percentage of total activities that result in compliance or administrative actions.

Calculation Type:

Noncumulative.

New Measure:

No.

Desired Performance:

Highest possible percent of compliance.

**02 Percent of Report Analyzations
(Including Analyzations of Tax
Reports) Resulting in
Administrative or Compliance
Actions**

Short Definition:

The percentage of monthly reports analyzed during which violations of the Alcoholic Beverage Code and/or rules were detected and an administrative or compliance action was issued.

Purpose/Importance:

This measure shows the rate of noncompliance with the reporting requirements of the Alcoholic Beverage Code and rules and the effectiveness of the agency's monitoring program in detecting these violations.

Source/Collection of Data:

Compliance and administrative actions resulting from the report analyzation process are entered into the mainframe computer system or a manual record is kept by personnel conducting the analyzations. The department is in the process of having all actions automated.

Method of Calculation:

The number of administrative and compliance actions issued for failure to

comply with the Alcoholic Beverage Code and rules discovered during the report analyzation process divided by the total number of reports analyzed during the reporting process.

Data Limitations:

The agency's current efforts to simplify the reporting process can cause a decrease in the number of inadvertent violations noted and decrease the percentage of report analyzations that result in compliance or administrative actions.

Calculation Type:

Noncumulative.

New Measure:

No.

Desired Performance:

Lower than target.

**03 Percent of Agency Contacts
Expressing Satisfaction with
Compliance Functions**

Short Definition:

The percentage of customers with positive responses after having contact with compliance department personnel.

Purpose/Importance:

The measure is intended to help identify problems with procedures and understanding of the Alcoholic Beverage Code and rules. It is important because feedback from our customers indicates how well the agency is fulfilling their needs.

Source/Collection of Data:

A survey is given to permittees/licensees at the close of an analysis or audit (Compliance Department Customer Satisfaction Questionnaire, Form C-701). The permittee or licensee mails their responses to the Austin headquarters and responses are accumulated in a database when received.

Method of Calculation:

The number of favorable responses on the survey instrument divided by the total number of responses.

| | |
|----------------------|---|
| Data Limitations: | The agency has no control over the number of survey instruments returned. |
| Calculation Type: | Noncumulative. |
| New Measure: | No. |
| Desired Performance: | Higher than target. |

Output Measures

01 Number of Inspections, Analyses and Compliance Activities

| | |
|----------------------------|--|
| Short Definition: | Inspections are examinations of or conferences with licensees/permittees in which the compliance officer determines if the licensee/permittee is in compliance with the Alcoholic Beverage Code and/or rules. Analyses are reviews of selected areas of a licensee's permittee's operations to ensure compliance with licensing requirements of the Alcoholic Beverage Code and rules. Compliance activities are enforcement of regulatory provisions, which may or may not require an on-premise visit and also consist of compliance audits conducted of licensees/permittees. |
| Purpose/Importance: | This measure is intended to show all inspections, analyses and compliance activities conducted by department personnel. It reflects the regulatory duties performed by compliance personnel to ensure adherence with the Alcoholic Beverage Code and rules. |
| Source/Collection of Data: | Using the agency's automated audit file (PGM.L.235), food and beverage history file (Monthly Food and Beverage Analyses and Inspections Approvals), and forms completed by department personnel (Compliance Department Monthly Activity Report, Form C-601, Audit Support Monthly Activity Report, Excise Tax Activity Report, Summary Suspension Log, Credit Law Monthly Notices of Default, Cases Sent to Legal Log, Monthly |

| | |
|---|---|
| | Commissioner's Report) when conducting inspections, analyses and compliance activities. This number is a manual tabulation of the number of inspections, analyses and compliance activities. |
| Method of Calculation: | This measure is calculated by compiling information from monthly computer reports and manual records which contain the number of audits and analyses approved, inspections and compliance activities completed during the reporting period, regardless of when the activity was begun. |
| Data Limitations: | Employee retirements, problems in hiring qualified personnel and other personnel issues may affect the work hours available to conduct the monitoring activities. |
| Calculation Type: | Cumulative. |
| New Measure: | No. |
| Desired Performance: | Higher than target. |
| 02 Number of Compliance and/or Administrative Actions (Including Tax Report Actions) | |
| Short Definition: | An administrative action is an action taken against a licensee/permittee, which results in the recommendation of a suspension or cancellation of the license or permit for violations of the Alcoholic Beverage Code and/or rules. A compliance action is a written warning issued to a licensee or permittee or action to secure compliance with the Alcoholic Beverage Code and/or rules. |
| Purpose/Importance: | This measure is intended to show the number of compliance and/or administrative actions issued for violations of the Alcoholic Beverage Code and rules detected during inspections, analyses or compliance activities. |
| Source/Collection of Data: | The agency's automated gross receipts |

history file (Report #'s - PGM.E.157, PGM.A.208, PGM.A.251), warning file (Report # - PGM.A.188), docket file (Report # - PGM.A.188), credit law file (Report # - PGM.L.243) and monthly reports (Excise Tax Cases Sent to Hearing Log, Cases Sent to Legal Log, Excise Tax Activity Report, Summary Suspension Log and Monthly Commissioner's Report) prepared by department personnel are the sources of data providing the number of administrative and compliance actions taken by the compliance department during the reporting period for violations found during inspections, analyses, compliance activities or report analyzations. The actions are counted regardless of when the activity was begun.

Method of Calculation:

This measure is calculated by manually compiling information from monthly computer reports and manual tabulation of cases referred to the legal department and summary suspensions of permits. The computer reports contain the number of compliance actions issued, warnings issued, waiver orders issued and all permittees/licensees with a "delinquent" status during the reporting period.

Data Limitations:

The agency's current efforts to train and educate its customers can decrease the number of violations detected.

Calculation Type:

Cumulative.

New Measure:

Yes.

Desired Performance:

Lower.

**03 Number of Reports Analyzed
(Including Tax Reports)
Regarding the Inter-State and
Intra-State Distribution of
Alcoholic Beverages**

Short Definition:

Reports analyzed regarding the inter-state and intra-state distribution of alcoholic

beverages are all monthly reports submitted by licensees and permittees who are engaged in the manufacturing or wholesaling of alcoholic beverages, those who transport or transport and serve and those who use alcohol in the manufacturing process. The reports are examined to ensure compliance with the Alcoholic Beverage Code and rules.

Purpose/Importance:

This measure is intended to show the number of reports analyzed to ensure compliance with the inter-state and intra-state distribution of alcoholic beverages. The entities involved report all alcoholic beverages manufactured, imported, exported, transported, stored, sold and distributed in this state.

Source/Collection of Data:

Compliance Department personnel record each type of analyzation and when the analyzation was completed regardless of when the activity was begun on a monthly activity report. The information is compiled on a monthly section report form (Excise Tax Activity Report), which is manually totaled for all employees.

Method of Calculation:

This is a manual tabulation of reports analyzed by department personnel on a monthly basis and maintained on a spreadsheet.

Data Limitations:

A decrease or increase in the number of entities required to report could occur due to economic variables and decrease or increase the number of reports analyzed.

Calculation Type:

Cumulative.

New Measure:

No.

Desired Performance:

Higher than target.

Efficiency Measures

01 Average Cost Per Compliance Activity

| | |
|----------------------------|---|
| Short Definition: | Total cost of the compliance monitoring function (including the department's share of the agency's administrative overhead cost) divided by the total number of inspections, analyses and compliance activities. |
| Purpose/Importance: | This measure is intended to show efficiency of conducting analyses, inspections, and compliance activities. |
| Source/Collection of Data: | Expenditures are recorded in USAS by the fiscal services department (FSD). Monthly budget and expenditure statements from USAS (Agency Budget Control by Fund, Organization and Program Report) and quarterly support cost allocations are provided by FSD (Expenditures for XX Quarter FY XXXX). |
| Method of Calculation: | Total cost of the compliance monitoring function, less the cost of report analyzation, (including the department's share of the agency's administrative overhead cost) divided by the total number of inspections, analyses and compliance activities. |
| Data Limitations: | Employee retirements, problems in hiring qualified personnel and other personnel issues may affect the work hours available to conduct the monitoring activities and thereby, affecting the average cost per compliance activity. |
| Calculation Type: | Noncumulative. |
| New Measure: | No. |
| Desired Performance: | Less than target. |

Explanatory Measures

01 Number of Licensees/Permittees Subject to Compliance Activity

| | |
|----------------------------|---|
| Short Definition: | This measure is intended to indicate the population of retail, wholesale and manufacturing licensees/permittees subject to inspection, analyses and/or compliance reviews. |
| Purpose/Importance: | To determine increase or decrease in potential licensees/permittees subject to compliance activity. |
| Source/Collection of Data: | The agency's automated license file (Report # - PGM.A.201) on the mainframe computer system is the source of data reflecting the number of licenses and permits at a given date which are subject to inspection, analysis and compliance reviews. |
| Method of Calculation: | A monthly computer report that tabulates totals by class at a given date. A manual tabulation of these totals is then performed to obtain the grand total. |
| Data Limitations: | A decrease in the number of entities subject to compliance activity could occur due to economic variables. |
| Calculation Type: | Noncumulative. |
| New Measure: | No. |
| Desired Performance: | Not applicable. Explanatory only. |

02 Number of Licensees/Permittees Subject to Report Analyzation (Including Tax Report Analyzations)

| | |
|-------------------|---|
| Short Definition: | The number of licensees/permittees subject to report analyzation who are engaged in the manufacturing or wholesaling of alcoholic beverages, those who transport or |
|-------------------|---|

| | |
|----------------------------|--|
| | transport and serve, or those who use alcohol in the manufacturing process. |
| Purpose/Importance: | To determine increase or decrease in potential licensees/permittees subject to report analyzation. |
| Source/Collection of Data: | The agency's automated license file (Report # - PGM.A.201) on the mainframe computer system is the source of data reflecting the number of licenses and permits at a given date which are subject to report analyzation. |
| Method of Calculation: | A monthly computer report that tabulates totals by class at a given date. A manual tabulation of these totals is then performed to obtain the grand total. |
| Data Limitations: | A decrease or increase in the number of entities subject to report analyzations could occur due to economic variables and decrease or increase the number of reports analyzed. |
| Calculation Type: | Noncumulative. |
| New Measure: | Yes. |
| Desired Performance: | Not applicable. Explanatory only. |

**Ports of Entry
Outcome Measures**

01 Revenue as a Percent of Expenses

| | |
|----------------------------|--|
| Short Definition: | It is intended to show the cost effectiveness of the ports of entry section. |
| Purpose/Importance: | This measure compares the tax revenue generated by the agency's ports of entry section with the total cost of operating that section. |
| Source/Collection of Data: | The revenue from fees and taxes collected is accumulated in computerized reports at each port location. The data is submitted to Austin headquarters where it is |

reconciled with bank deposits by the fiscal services department (FSD). Expenditures are tracked in USAS by FSD. Monthly budget and expenditure statements from USAS and quarterly support cost allocations are provided by FSD.

Method of Calculation:

Total fees and taxes collected from the personal importation of alcoholic beverages and packages of cigarettes divided by the total cost of the ports of entry function (including the section's share of the agency's administrative overhead costs.)

Data Limitations:

Economic conditions in the United States and Mexico which affect currency valuations have a direct affect on the quantity of alcoholic beverages and cigarettes imported and the fees and taxes collected.

Calculation Type:

Noncumulative.

New Measure:

No.

Desired Performance:

Higher than target.

02 Illegal Containers of Alcoholic Beverages and Packages of Cigarettes as a Percent of Total Containers and Packages Imported

Short Definition:

A container is considered an illegal importation if:

- it is in excess of the legal importation quota;
- the container itself is illegal;
- it is imported by minors or intoxicated persons; or
- it is not declared or the importer refuses to pay the required tax.

Purpose/Importance:

This measure shows the rate of noncompliance with the personal importation requirements of the Alcoholic Beverage Code and rules and the

effectiveness of the agency's monitoring program in detecting these violations.

Source/Collection of Data:

Each port location accumulates the number of illegal containers confiscated and the total containers imported on computerized reports. These reports are submitted to Austin headquarters on a weekly basis. Monthly reports are compiled showing the total containers/packages confiscated and total containers/packages imported.

Method of Calculation:

The number of alcoholic beverages containers and cigarette packages identified and confiscated as being imported into the state unlawfully divided by the total number of containers imported for the reporting period.

Data Limitations:

Economic conditions in the United States and Mexico which affect currency valuations have a direct effect on the quantity of alcoholic beverages and cigarettes imported and the fees and taxes collected. Since the quantity of illegal containers identified bears a direct relationship to total containers imported, the measure would be affected.

Calculation Type:

Noncumulative.

New Measure:

No.

Desired Performance:

Lower than target.

Output Measures

01 Number of Alcoholic Beverage Containers and Cigarette Packages Stamped

Short Definition:

This measure is intended to indicate the total number of alcoholic beverage containers and cigarette packages that the ports of entry section has attached stamps to.

| | |
|----------------------------|--|
| Purpose/Importance: | The stamped containers reflect the amount of fees and taxes paid on imported alcoholic beverages and cigarettes during the reporting period. |
| Source/Collection of Data: | The total number of containers and packages imported is accumulated in computerized reports at each port location (Daily Record of Stamp Sales, Master Weekly Report by Port Location). The data is submitted to the Austin headquarters where it is manually tabulated to obtain grand totals on the Monthly Number of Containers Stamped Report. The information from each port location is reconciled with bank deposits by the fiscal services department. |
| Method of Calculation: | The number of alcoholic beverage containers and cigarette packages stamped are manually added together for the reporting period. |
| Data Limitations: | Economic conditions in the United States and Mexico which affect currency valuations have a direct effect on the quantity of alcoholic beverages and cigarettes imported. |
| Calculation Type: | Cumulative. |
| New Measure: | No. |
| Desired Performance: | Higher than target. |

02 Number of Alcoholic Beverage Containers and Cigarette Packages Confiscated

| | |
|-------------------|--|
| Short Definition: | <p>A container is considered an illegal importation if:</p> <ul style="list-style-type: none">• it is in excess of the legal importation quota;• the container itself is illegal;• it is imported by minors or intoxicated persons; or• it is not declared or the importer refuses to pay the required tax. |
|-------------------|--|

| | |
|----------------------------|---|
| | The illegal containers are confiscated and destroyed by the ports of entry personnel. |
| Purpose/Importance: | This output is intended to measure the total number of alcoholic beverage containers and cigarette packages confiscated for any reason during the period referenced. |
| Source/Collection of Data: | The total number of containers and packages confiscated is accumulated at each port location on forms completed by section personnel (Confiscated Merchandise Destroyed, Form C-POE.002). The data is submitted to the Austin headquarters on the Monthly Destroyed Confiscated Merchandise by Location, Form C-POE.004, and maintained on a spreadsheet (Statewide Monthly Destroyed Confiscated Merchandise). |
| Method of Calculation: | The number of alcoholic beverage containers and cigarette packages stamped are manually added together for the reporting period. |
| Data Limitations: | Economic conditions in the United States and Mexico which affect currency valuations have a direct effect on the quantity of alcoholic beverages and cigarettes imported. |
| Calculation Type: | Cumulative. |
| New Measure: | No. |
| Desired Performance: | At or near target. |

Efficiency Measure

**01 Average Cost Per Container of
Alcoholic Beverage Container or
Cigarette Package
Imported/Confiscated**

| | |
|----------------------------|---|
| Short Definition: | Total cost of the ports of entry section in stamping or confiscating alcoholic beverage containers or cigarette packages divided by the total number of alcoholic beverage containers and cigarette packages imported or confiscated. |
| Purpose/Importance: | This measure is intended to show the average cost incurred by the agency for each container or package imported or confiscated. |
| Source/Collection of Data: | The number of containers and packages imported and those confiscated/seized are manually added together by Austin headquarters. Expenditures are recorded in USAS by the fiscal services department. Monthly budget and expenditure statements from USAS and quarterly support cost allocations are provided by FSD (Expenditures for XX Quarter FYXXXX). |
| Method of Calculation: | Total cost of the ports of entry function (including the section's share of the agency's administrative overhead cost) divided by the total number of containers or packages imported or confiscated. |
| Data Limitations: | Economic conditions in the United States and Mexico which affect currency valuations have a direct effect on the quantity of alcoholic beverages and cigarettes imported and may affect this average cost. |
| Calculation Type: | Noncumulative. |
| New Measure: | No. |
| Desired Performance: | Less than target. |

APPENDIX E

REPORT ON CUSTOMER SERVICE

Report on Customer Service

Customer focus, continuous improvement, idea generation, communication, recognition and reward. These are the key elements of a successful agency. However, improving the quality of customer service is a critical issue facing all state agencies. To improve the service provided, the Texas Alcoholic Beverage Commission is committed to identifying agency's customers; setting achievable service standards based on customer expectations; realigning policies and management systems to meet customer needs and redesigning service processes.

Inventory of External Customers

The identification of external customers is a prerequisite to understanding customer requirements and satisfaction levels. The agency has compiled a list of external customers by budget strategy and identified three distinct groups as its primary customers - the general public, the alcoholic beverage industry and local agencies and officials. The services the agency provides to its customers include: conducting investigations; providing regular instruction on the law and compliance to school children, licensees and permittees (and their employees), and to members of civic groups; overseeing the labeling, bottling and promotion of alcoholic beverage products; issuing different types of alcoholic beverage licenses and permits throughout the state and the world; conducting compliance audits and regulatory reviews; assuring compliance with personal importation laws and collecting taxes and administrative fees on alcoholic beverages and cigarettes imported into Texas from Mexico and reviewing and prosecuting administrative violations of the Texas Alcoholic Beverage Code by licensees and permittees.

Methodology

Customer Satisfaction Survey

For many years now, the agency has used surveys to assess the level of customer satisfaction with agency services. Although these surveys are quite useful in measuring satisfaction with specific agency programs (i.e., licensing, compliance and enforcement), the agency has developed an additional survey instrument. The new survey fulfills the requirements of Senate Bill 1563 and is designed to gauge customer satisfaction with respect to the following quality dimensions: to service timeliness, staff, facilities, printed materials, communication, complaint handling processes, Internet and overall satisfaction.

The agency conducted a careful planning process before implementing the survey instrument to avoid potential pitfalls and delays. During this phase, the agency identified the purpose of the survey; the information needed; how the customer lists would be created; how the sample would be chosen; the method of collecting the data; how the data would be analyzed; the software required for analysis and how the survey results would be reported. The agency was interested in the amount of time it would take to complete the survey, the format and

attractiveness of the survey, the clarity of items and the comprehensiveness and relevance of the survey content.

Drafts of the survey and cover letter were produced, and both validity and reliability issues were addressed. Furthermore, ethical guidelines were followed throughout the process. The cover letter conveyed the importance of the survey, provided clear instructions for filling it out and returning it and promised confidentiality. Each survey contained a pre-addressed, business response mailing label printed on the back used to facilitate and transfer the cost of return to the agency.

Data Collection

The survey was administered to a systematic sample consisting of 1,920 customers drawn from the agency's *TABC Today* newsletter mailing list. The newsletter mailing list included licensees/permittees, various citizens and citizen groups interested in the TABC and local state agencies/officials. However, the agency's customer population was directed to the two primary customer groups with the most need for interaction on a daily basis, excluding state agencies and local officials.

Data for the survey was collected between March 2000 and May 2000. The completed surveys were mailed to the agency's Austin headquarters at the agency's expense. Upon arrival, the surveys were first reviewed by the agency's administrator and then forwarded to the customer relations representative. The customer relations representative reviewed the surveys and entered the numerical responses into a statistical software program while recording all written comments and suggestions.

Data Analysis

The goal of the survey administration was to obtain a 20 percent response rate. Approximately 384 potential respondents were needed to reach this goal. Although the agency obtained only a 10 percent response rate, it was satisfied with the results considering average response rates for mail-back surveys are only three to five percent.

Quantitative analyses (statistical analyses) were conducted using a standard statistical analysis program. The quantitative data represented valid measurements of various elements of service and, as such, were more reliable than qualitative sources of information. However, qualitative analyses were conducted from the written suggestions and comments providing valuable feedback to the agency.

Survey Results

How satisfied were customers with the agency's services?

The evaluation of each quality service dimension was a good indicator of how well the agency was serving its customers. A strong overall customer satisfaction rating of 82 percent was received by the agency.

Based on the evaluations by agency customers, there was both evidence of good customer service by the agency and clear opportunities for improvement. The highest level of

satisfaction was with the agency's employees and their ability to communicate clearly with customers. The agency's employees were considered to be courteous, knowledgeable and responsive to customer needs, in addition to providing clear explanations about the agency's services and answering all customer questions. The areas needing the most improvement included the agency's web site and its ability to timely respond to customer e-mails. Although the agency's web site and e-mail responses did not rate high among satisfaction levels, they definitely were not low. The majority of these responses were rated neutral among the satisfaction level and meant agency customers weren't necessarily satisfied or dissatisfied.

| | Licensee/ Permittee | General Public |
|--|--------------------------------|---------------------------|
| Satisfaction with the agency's staff: | | |
| Our employees were knowledgeable | 86% | 92% |
| Our employees were courteous and respectful | 86% | 90% |
| Our employees were responsive to your needs and concerns | 85% | 93% |
| Satisfaction with the agency's facilities: | | |
| Our office was convenient and easily accessible | 76% | 81% |
| Our office was clean and orderly | 81% | 92% |
| Satisfaction with the agency's printed materials: | | |
| I received printed materials (i.e., brochures, newsletters, instructions, forms, etc.) explaining the services available | 76% | 85% |
| Our materials were clear and understandable | 70% | 88% |
| Satisfaction with the agency's service timeliness: | | |
| Our services were offered at convenient times | 80% | 78% |
| Our services were delivered within a reasonable amount of time by: | 77% | 80% |
| Telephone (including "on hold" times) | 69% | 70% |
| E-mail | 23% | 22% |
| Materials (regular U.S. mail) | 56% | 64% |
| Satisfaction with the agency's communication: | | |
| I was given clear explanations about the services available | 83% | 87% |
| I received answers to all my questions | 85% | 89% |

| | | |
|---|------------|------------|
| Satisfaction with the agency's Internet site: | | |
| I was able to find helpful information on the TABC web site | 28% | 35% |
| I found the quality of the TABC web site to be satisfactory | 33% | 35% |
| Satisfaction with the agency's complaint handling process: | | |
| I know how to make a complaint regarding services at the TABC | 62% | 68% |
| I believe the TABC would handle my complaint in a fair manner | 75% | 78% |
| Overall satisfaction with the agency's services | 83% | 81% |

The data obtained from the survey will be used to (1) monitor the agency's performance against customer service standards, (2) improve the agency's overall quality of service and delivery and (3) provide the customers' views of the agency's overall performance.

In the future, the customer satisfaction survey will be included on one issue of the *TABC Today* newsletter and administered annually. In addition, individuals who contact the agency (via e-mail, telephone, mail or in person) with questions or want to file a complaint will be surveyed as well. The agency plans to compare survey results from year to year. This information will provide comparative data about the agency's customers and their opinions, in addition to monitoring customer trends over time. The agency believes this is the best approach to obtaining invaluable information for both the agency and its management.

Customer-Related Performance Measures

The Legislative Budget Board has created generic customer-related performance measures for all state agencies. These projected measures include:

| Outcome Measures | FY 2001 |
|--|----------------|
| Percentage of Surveyed Customer Respondents Expressing Overall Satisfaction with Services Received | 80% |
| Percentage of Surveyed Customer Respondents Identifying Ways to Improve Service Delivery | 5% |
| Output Measures | |
| Number of Customers Surveyed | 30,000 |
| Number of Customers Served | 500,000 |

| Efficiency Measure | |
|---------------------------------------|------------|
| Cost per Customer Surveyed | \$0.26 |
| Explanatory Measures | |
| Number of Customers Identified | 20,000,000 |
| Number of Customer Groups Inventoried | 3 |

Compact with Texans

As part of the customer service initiative, the agency designed its *Compact with Texans* and submitted it to the Legislative Budget Board and the Governor's Office of Budget and Planning for approval. The compact was approved and, since then, has been added to the agency's web site. A copy of the agency's *Compact With Texans* may be found at the end of this report.



Dedicated professionals serving citizens in an honest, efficient and friendly way. If I had to describe the driving philosophy behind our *Compact with Texans*, it would be in this manner. Commitment. Quality. Honesty. Efficiency. Friendliness. When it comes down to it, these are pretty much universal guiding principles that we all have come to expect of any service provider. We believe you deserve no less from us.

At the Texas Alcoholic Beverage Commission, we realize the awesome responsibility that the State of Texas has placed upon our agency and we view this *Compact* as a binding agreement between you, our customer, and every member of our agency.

In addition to telling you who we are and what we do, this agreement will also lay out some standards that we will strive hard to measure up to as we carry out our day-to-day responsibilities. So, whether your contact with us is in person, via regular mail, over the telephone, at our web site or through whatever other medium available, we want you to know that our work ethic will be marked with a spirit and zeal to help you out in whatever way possible.

Thank you for the opportunity to serve you.

Sincerely,

Doyne Bailey
Administrator



Our Mission and Guiding Philosophy

Established in 1935, our mission is to supervise and regulate all phases of the alcoholic beverage industry to ensure the protection of the welfare, health, peace, temperance and safety of the people of Texas, while facilitating fairness, balanced competition and responsible behavior.

We will exemplify professionalism in all areas of performance. We will provide the best possible services at the lowest possible cost to the people of Texas. We will apply the law and agency policy fairly and consistently throughout the state. We will communicate openly with the public we serve and with all our fellow employees.

Our Services

- We conduct investigations for minors in possession, public intoxication, bootlegging, prostitution, gambling, narcotics, weapons, and organized criminal activities.
- We provide regular instruction to school children, licensees and permittees (and their employees), and to members of civic groups to promote a better understanding of the law and voluntary compliance.
- We oversee the labeling, bottling, and promotion of alcoholic beverage products.
- We issue 61 different types of alcoholic beverage licenses and permits throughout the state and the world to establish regulatory control.
- We conduct compliance audits and prepare written reports to ensure adherence with the Alcoholic Beverage Code and ensure the proper amount of tax/fee is reported and paid.
- We assure compliance with personal importation laws and collect taxes and administrative fees on alcoholic beverages and cigarettes imported into Texas from Mexico.
- We review and prosecute administrative violations of the Texas Alcoholic Beverage Code by licensees and permittees.

Our Customer Service Standards

We recognize that quality service is essential in meeting our mission, goals, and responsibilities. We pledge to:

- Treat you with professional courtesy and respect at all times.
- Provide you with accurate, timely, and complete information.
- Respond to all inquiries within three working days of receipt.
- Process new applications within 45-60 working days and renewal applications within 30-45 working days.
- Acknowledge receipt of complaints within three working days.
- Resolve complaints within 60 working days and notify you if any situations arise that may require additional time for complaint resolution.
- Provide helpful and up-to-date information on our web site.
- Ensure our facilities are easily accessible and clean.
- Provide you with our Customer Satisfaction Survey results and continually strive to improve our services.

Our Customer Relations Representative

Our Customer Relations Representative is responsible for responding to any of your concerns regarding our agency. Please feel free to contact her:

Claire Myers
Texas Alcoholic Beverage Commission
PO Box 13127
Austin, Texas 78711
c.myers@tabc.state.tx.us
(512) 206-3347

Our Complaint Handling Process

All complaints will be acknowledged within three working days. Every effort will be made to resolve a complaint within 60 working days. You will be notified of any situations that would require additional time for complaint resolution. **We will monitor your complaint from the date it is made to the date it is resolved.** This process will assist in improving our customer service. You may contact us about a complaint by:

- E-mail: complaints@tabc.state.tx.us
- Toll-free telephone: 1-888-843-8222 (1-888-THE-TABC)
- Mail: Texas Alcoholic Beverage Commission
PO Box 13127
Austin, Texas 78711

Our License and Permit Process

In order to apply for an alcoholic beverage license or permit, you must contact your local TABC office and request a materials packet. The packet contains:

- Information on the license or permit type for which you are applying;
- Blank Application Forms and Personal History Sheets;
- Conduct Surety, Tax Bond Forms or other bond/security forms, if applicable; and
- Other forms as required by local governing bodies.

The number of applications you will need to prepare will vary depending on your location and what is required from your local government offices. Our local office will inform you of the exact number you are required to complete when you pick up your packet. Please allow 45-60 working days for processing a new application. A renewal application may take 30-45 working days to process.* ** However, the application process may be completed faster depending on the workload. If you have any questions or comments regarding our license and permit application process, please contact us by:

- E-mail: questions@tabc.state.tx.us
- Toll-free telephone: 1-888-843-8222 (1-888-THE-TABC)
- Mail: License and Permit Department
Texas Alcoholic Beverage Commission
PO Box 13127
Austin, Texas 78711

* For certain on-premise locations, the posting of a sign is required for 60 days prior to your application being received in Austin.

** In certain cases, an inspection of the proposed licensed location may be necessary for processing your application. Issuance of your license or permit will be delayed if this inspection has not been conducted.



Questions, Comments, Suggestions and Requests for Information

We value your comments and will use them to measure our performance and improve our service. Communication of information and ideas provides an understanding and shared commitment toward achieving common goals.


Every effort will be made to respond to your inquiries (including US mail, e-mail and/or personal requests) within three working days of receipt. Questions, comments, suggestions, and requests for information can easily be made by:

E-Mail Addresses

- General inquiries, comments and questions about the TABC questions@tabc.state.tx.us
- Reporting violations of the Texas Alcoholic Beverage Code and Rules complaints@tabc.state.tx.us
- Inquiries and questions about Excise Tax excise.tax@tabc.state.tx.us
- Inquiries and questions about Ports of Entry poe@tabc.state.tx.us
- Computer related problems or comments about the TABC web site webmaster@tabc.state.tx.us
- To e-mail an individual at the TABC (e.g., to e-mail John Smith address your e-mail to) first.intial.last.name@tabc.state.tx.us
j.smith@tabc.state.tx.us

Visit our web site at <http://www.tabc.state.tx.us>

Headquarters

| TABC PO Box 13127 Austin, TX 78711 (mailing address) | | | TABC 5806 Mesa Drive Austin, TX 78731 (physical address) | | |
|---|----------------------------------|---|---|--------------|--------------|
| | <u>VOICE</u> | <u>FAX</u> | | <u>VOICE</u> | <u>FAX</u> |
| Main Switchboard | 512-206-3333 |  | General Services | 512-206-3254 | 512-206-3274 |
| Complaint Line | 1-888-843-8222 1-888-THE-TABC | | Information Resources | 512-206-3457 | 512-206-3281 |
| TDD | 512-206-3270 | | Human Resources | 512-206-3220 | 512-206-3350 |
| Executive | 512-206-3221 | 512-206-3350 | Licensing | 512-206-3360 | 512-206-3399 |
| Internal Affairs | 512-206-3405 | 512-206-3449 | Compliance | 512-206-3300 | 512-206-3349 |
| Legal | 512-206-3490 | 512-206-3498 | Credit Law | 512-206-3301 | 512-206-3329 |
| Enforcement | 512-206-3400 | 512-206-3449 | Excise Tax | 512-206-3342 | 512-206-3321 |
| Marketing Practices | 512-206-3410 | | Ports of Entry | 512-206-3300 | 512-206-3348 |
| Fiscal Services | 512-206-3225 | 512-206-3248 | Server Training | 512-206-3420 | 512-206-3316 |

Directory of Offices

| <u>CITY</u> | <u>ADDRESS</u> | <u>PHONE NUMBER</u> | <u>FAX NUMBER</u> |
|-----------------------|---|-------------------------------------|--------------------------|
| ABILENE | 209-C South Danville, Suite 207 Abilene, Texas 79605-1464 | (915) 695-2841 | (915) 695-2842 |
| AMARILLO | Palo Duro Office Plaza - 3131 Bell, Suite 106 Amarillo, Texas 79106 | (806) 353-1286 | (806) 353-1287 |
| AUSTIN | Chevy Chase II - 7600 Chevy Chase Drive, Suite 550 Austin, Texas 78752 | (512) 451-0231 | (512) 451-0240 |
| BEAUMONT | 6450 Concord Road Beaumont, Texas 77708-4399 | (409) 898-3116 or (409) 898-3117 | (409) 898-3155 |
| BRYAN | 1716 Briarcrest #402 Bryan, Texas 77802-2700 | (409) 260-8222 | (409) 260-8224 |
| CONROE | #1 Criminal Justice Drive, Suite B-125 Conroe, Texas 77301 | (409) 760-5841 | (409) 760-5853 |
| CORPUS CHRISTI | 2820 South Padre Island Drive, Suite 120 Corpus Christi, Texas 78415 | (361) 851-2531 | (361) 851-2536 |
| DALLAS | 8700 Stemmons Freeway, Suite 460 Dallas, Texas 75247 | (214) 688-1603 | (214) 688-1607 |
| DEL RIO | Del Rio Police Department - 110 East Broadway / PO Box 2263 Del Rio, Texas 78840 | (830) 774-4111 | (830) 774-8778 |
| DENTON | Courthouse on the Square 110 West Hickory Street, Third Floor Denton, Texas 76201 | (940) 565-8670 | (940) 565-8506 |
| EL PASO | El Paso State Office Building - 401 E. Franklin Street, Suite 120 El Paso, Texas 79901 | (915) 834-5860 | (915) 834-5861 |
| FORT WORTH | 6800 Manhattan Boulevard, Suite 100 Fort Worth, Texas 76120 | (817) 451-9466 | (817) 451-9469 |
| GALVESTON | 3717 Highway 3, Suite A Dickinson, Texas 77539 | (281) 337-5611 | (281) 337-5612 |
| HOUSTON | 427 West 20th Street, Suite 600 Houston, Texas 77008-2497 | (713) 880-3003 | (713) 880-5526 *2 |
| LAREDO | Webb County Courthouse - 1000 Houston Street Laredo, Texas 78042 | (956) 722-6364 | (956) 791-3483 |
| LONGVIEW | 2800 Gilmer Road, Suite 4 Longview, Texas 75604-1824 | (903) 759-7828 | (903) 759-7834 |
| LUBBOCK | 3223 South Loop 289, Suite 301 Lubbock, Texas 79423 | (806) 793-3221 | (806) 793-3222 |
| McALLEN | Water Tower Centre - 612 Nolana, Suite 420 McAllen, Texas 78504-3016 | (956) 687-5141 | (956) 687-5585 |
| ODESSA | 4222 Wendover, Suite 200 Odessa, Texas 79762 | (915) 367-0760 | (915) 367-0808 |
| SAN ANGELO | 622 South Oaks, Suite P San Angelo, Texas 76903 | (915) 659-7931 | (915) 659-7933 |
| SAN ANTONIO | 4203 Woodcock Drive, Suite 120 San Antonio, Texas 78228-1372 | (210) 736-4466 | (210) 736-4225 |
| VICTORIA | 1206 Manor Drive Victoria, Texas 77901 | (361) 575-4776 | (361) 575-4777 |
| WACO | Richland Office Plaza - 6001 West Waco Drive, Suite 8 Waco, Texas 76710 | (254) 776-7626 | (254) 776-7628 |
| WICHITA FALLS | 624 Indiana Street, Suite 300 Wichita Falls, Texas 76301 | (940) 322-8606 | (940) 322-8607 |

YOUR SATISFACTION IS IMPORTANT TO US!

Please take a few minutes to complete our [Customer Satisfaction Survey](#). It will help us evaluate the services we provide and determine how they can be improved. In addition, your responses will be kept strictly confidential. We want to make this agency more responsive to the needs of the public, but we need the help of people like you to make it happen.

APPENDIX F

SURVEY OF ORGANIZATIONAL EXCELLENCE

Survey of Organizational Excellence

In 1999, the Texas Alcoholic Beverage Commission once again participated in the Survey of Organizational Excellence conducted by the University of Texas at Austin. Over the years, we have found this employee survey to be a useful tool in assessing employee satisfaction issues and maintaining an on-going dialogue with our employees as we strive for continuous quality improvement throughout our organization.

This tool also enables agency management to identify agency strengths and weaknesses and provides important feedback on agency initiatives. We believe this project provides the agency with an invaluable medium to take a critical look at who we are as an agency and how we do in the area of customer service. Overall, the survey results are positive. It indicates the agency is maintaining high standards or improving in the areas of customer service, goal attainment, quality of work and services, computer resources and safe work environment.

With a return rate of 44 percent (210 out of 501 employees returned their surveys), the agency is able to better identify employee concerns and develop initiatives to address them. As part of our strategic planning process, we spend time reviewing the survey results and seeking input on possible ways of enhancing the agency's workplace environment, policies, procedures and other areas of our operations that employees have cited as needing improvement. As a continuing role of strategic planning, issues identified through the survey, and given priority by the strategic planning team, will be addressed beginning in May with specific actions and recommendations.

Perhaps one of the biggest benefits of the UT Survey centers on the fact that employees at every level of the organization are provided with results of the survey, and these responses allow management at every level to become more aware of how employees feel about their jobs and the agency as a whole. While the agency may not always be able to respond to every concern reported via the survey, a greater emphasis is placed on continuing to find ways of enhancing the agency's organizational culture and strengthening our commitment to being an open and responsible state agency.

Communication Audit

The agency also participated in a communication audit conducted by the College of Communication with The University of Texas at Austin during the latter part of 1999 (56 percent of the employees participated in the project). This survey has helped the agency identify strengths and weaknesses associated with its communication practices. As communication expert Cal Downs, Ph.D, notes in his book, *Communication Audits*, "Long taken for granted, communication can now be related to job satisfaction, productivity, team-building and general coordination within an organization." Along with the UT Survey on Organizational Excellence, we believe this survey tool will help TABC strengthen its organizational culture and commitment to the highest standards of performance.

APPENDIX G

INFORMATION RESOURCES STRATEGIC PLAN

Executive Summary

Scope of the Plan

The Information Resources Strategic Plan supports the Agency Strategic Plan in its adherence to the statewide vision, mission, and philosophy, and also supports the agency's mission and philosophy. Additionally, the Information Resources Strategic Plan is consistent with the philosophy, goals, and objectives in the State Strategic Plan for Information Resources Management. The Information Resources Strategic Plan provides the following required elements of information in table format:

Table 1 provides a statement of the strategic objectives of the agency relating to information resources management for the next five fiscal years, with a description of how those objectives help achieve the agency's programs and goals and how those objectives support and promote the goals and policies of the State Strategic Plan for Information Resources Management;

Table 2 provides a description of the agency's information resources management organizations, policies, and practices including a plan for receiving any required forms or payments through the Internet or through other electronic means, including appropriate security measures that follow guidelines established by the Department of Information Resources;

Table 3 describes the agency's computing platforms, systems, and telecommunications;

Tables 4 & 5 identify the major databases and application systems critical to the administration of the agency's mission and briefly describe their use;

Table 6 describes the agency's plans for increased sharing of data with other state agencies and any obstacles in the way of further sharing.

Highlights of the Information Resources Goals and Strategies

The agency has identified, through the strategic planning process, four goals and thirteen strategies which will provide the future direction of information resources through 2005. Achieving these goals will have a direct impact on the effectiveness of the agency as a whole. These goals and strategies were developed to fully support the agency's mission statement, goals and objectives, and the statewide information resource strategies. Below is a summary of the information resources goals and strategies.

Summary of Information Resources Goals

| | |
|---|---|
| 1 | To enhance the accessibility to information and agency services through improved methods of acquisition, use, and management of information technology (IT). |
| 2 | To enhance the performance of the agency's mandates, missions, and functional program areas through appropriate application of information technology. |
| 3 | To adopt and apply information resources standards which are consistent with statewide direction ensuring the privacy, security, and historical integrity of the information and information resources. |
| 4 | Enhance the quality and efficiency of the agency information technology workforce through improved staff development and retention programs. |

Summary of Information Resources Strategies

| | |
|----|--|
| 1 | Develop and implement technical solutions that enable public information which is electronically stored within the agency's legacy databases to be accessible over the Internet by internal/external customers. Target date: 2001 |
| 2 | Participate in a pilot application for using the electronic government initiative known as the Framework for an Electronic Government Business Portal and Payment System. Target date: 2003 |
| 3 | Automate the manual process for collecting and processing excise tax reports by developing a system that uses the e-government framework to collect tax/information reports from the alcoholic beverage industry. Target date: 2003 |
| 4 | Implement the most cost effective alternative for providing mainframe data center operations within the agency by comparing outsourcing services from the West Texas Disaster Recovery Operations Center (WTDROC) versus leasing an in-house computer system. Target date: 2001 |
| 5 | Develop and implement a PC technology refresh plan to replace the agency's outdated inventory of microcomputers, dumb terminals, and software using purchasing strategies which provide the best return on investment. Target date: 2002 |
| 6 | Improve the performance, reliability, and security of the Wide Area Network (WAN) while expanding services and improving agency communications. Target date: 2002 |
| 7 | Evaluate and acquire mobile computing platforms (i.e. hand-held PDAs, laptops, ruggedized, wireless) to assist enforcement agents with their paper workload. Target date: 2003 |
| 8 | Develop and implement a plan to migrate all current mainframe based database systems to a state-of-the-art client/server environment which will provide enhanced support for electronic computing via the Internet, improve the maintainability of the systems, and reduce the overall operational costs while maintaining high performance and reliability levels. The solution should have superior data warehousing capabilities, and be platform independent. Target date: 2005 |
| 9 | Enhance/rewrite existing systems to improve the updating, inquiry, and reporting capabilities of these systems. |
| 10 | Implement low cost computer scanner technology for capturing images of the agency's paper documents (marketing practices labels, license and permit files, records management system, etc.). Target date: 2001 |
| 11 | Annually update the agency's business recovery, IR Security, and disaster recovery plans to ensure the availability of all mission critical IR systems. Target date: 2000 |
| 12 | Implement electronic government standards (i.e. government portal, payment portal, electronic signatures) to improve data exchange with the alcoholic beverage industry and which are consistent with DIR's statewide standards. Target date: 2003 |
| 13 | Continue to maintain competitive recruitment and retention programs in an effort to retain IT personnel. At the same time the agency should determine whether it has adequate resources to maintain mission critical IT responsibilities. Target date: 2001 |

Table 1: Goals, Objectives, and Strategies

| Item | Description |
|----------------|---|
| Goal 1 | <p>To enhance the accessibility to information and agency services through improved methods of acquisition, use, and management of information technology (IT).</p> <p><u>Relates to the following agency goals:</u></p> <p>Agency Goal #1 To promote the health, safety and welfare of the public and the well-being of the alcoholic beverage industry by taking positive steps to ensure voluntary compliance with the law and to deter the illegal manufacture, distribution, sale or consumption of alcoholic beverage products.</p> <p>Agency Goal #2 To process alcoholic beverage license/permit applications and to issue licenses/permits in compliance with the Alcoholic Beverage Code.</p> <p>Agency Goal #3 To ensure compliance with the Alcoholic Beverage Code in the manufacturing, importing, exporting, transporting, storing, selling, serving and distributing of alcoholic beverages.</p> <p><u>Supports the following state IR strategic plan goal:</u></p> <p>Goal 1 Texas state government will deliver seamless, integrated government services to citizens through coordinated, statewide information resources.</p> <p>Goal 4 Texas state government's acquisition, use, and management of information resources will be driven by customer needs.</p> |
| Objective #1 | <p>Provide both internal and external customers accessibility to electronic information and services via the Internet while looking for opportunities to participate in the e-government initiative.</p> |
| IR Strategy #1 | <p>Develop and implement technical solutions that enable public information which is electronically stored within the agency's legacy databases to be accessible over the Internet by internal/external customers. Target date: 2001</p> <p>Action item #1 Evaluate, purchase, and develop a software solution for accessing Model 204 data over the Internet by FY2001.</p> <p>Action item #2 Allow interactive license inquiry via the agency's public web site by FY 2001.</p> <p>Action item #3 Develop an e-mail based, inquiry system of license/permit and related information by FY2001.</p> <p>Action item #4 Allow interactive Marketing Practices label inquiry via the public web site by FY 2001.</p> |

| Item | Description |
|-----------------|--|
| IR Strategy #2 | <p>Participate in a pilot application for using the electronic government initiative known as the <u>Framework for an Electronic Government Business Portal and Payment System</u>. Target date: 2003</p> <p>Action item #1 Select an application (i.e. label approval, seller/server certificates, or license renewals) for participation in the government portal demonstration project. Assist the portal contractor with implementation of the selected application.</p> |
| IR Strategy #3 | <p>Automate the manual process for collecting and processing excise tax reports by developing a system that uses the e-government framework to collect tax/information reports from the alcoholic beverage industry. Target date: 2003</p> <p>Action item #1 Develop an e-commerce system to collect excise tax/informational reports from the varying tiers of the industry.</p> <p>Action item #2 Develop a system to OCR the information from excise tax reports that continue to be submitted on the paper form.</p> |
| Goal 2 | <p>To enhance the performance of the agency's mandates, missions, and functional program areas through appropriate application of information technology.</p> <p><u>Relates to the following agency goals:</u></p> <p>Agency Goal #1 To promote the health, safety and welfare of the public and the well-being of the alcoholic beverage industry by taking positive steps to ensure voluntary compliance with the law and to deter the illegal manufacture, distribution, sale or consumption of alcoholic beverage products.</p> <p>Agency Goal #2 To process alcoholic beverage license/permit applications and to issue licenses/permits in compliance with the Alcoholic Beverage Code.</p> <p>Agency Goal #3 To ensure compliance with the Alcoholic Beverage Code in the manufacturing, importing, exporting, transporting, storing, selling, serving and distributing of alcoholic beverages.</p> <p>Agency Goal #4 To carry out developed policies governing purchasing and public works contracting that foster meaningful and substantive inclusion of historically underutilized businesses.</p> <p><u>Supports the following state IR strategic plan goal:</u></p> <p>Goal 2 Texas state government will enhance the performance of its agencies' mandates, missions, and core competencies through appropriate application of information resources.</p> <p>Goal 4 Texas state government's acquisition, use, and management of information resources will be driven by customer needs.</p> |
| IR Objective #1 | <p>Improve the speed, accessibility, and reliability of the agency's mission critical information resources over the next five years.</p> |
| IR Strategy #4 | <p>Implement the most cost effective alternative for providing mainframe data center operations within the agency by comparing outsourcing services from the West Texas Disaster Recovery Operations Center (WTDROC) versus leasing an in-house computer system. Target date: 2001</p> |

| Item | Description |
|-----------------|--|
| | <p>Action item #1 Perform a comparative cost analysis of mainframe computing options which include leasing a new computer (in-house) or outsourcing the agency's data center operations to the WTDROC in San Angelo , TX.</p> <p>Action item #2 Implement the best alternative to coincide with end of the current equipment lease (Dec, 2000). If necessary, obtain any waivers from the Legislative Budget Board (see Section 9-6.23 of House Bill 1, 76th legislature).</p> |
| IR Strategy #5 | <p>Develop and implement a PC technology refresh plan to replace the agency's outdated inventory of microcomputers, dumb terminals, and software using purchasing strategies which provide the best return on investment. Target date: 2002</p> <p>Action item #1 Determine the purchasing, leasing, or outsourcing options for PC upgrades to be requested in the LAR for 2002-03.</p> <p>Action item #2 Upgrade all desktop 486 or older PC hardware within the agency by 2001.</p> <p>Action item #3 Replace all enforcement outpost dial up dumb terminals with PCs by 2002.</p> <p>Action Item #4 Maintain software licenses and explore site license options for current versions of software packages in use by the agency (i.e. Microsoft Office, NT, developer languages, Lotus Notes, etc.)</p> |
| IR Strategy #6 | <p>Improve the performance, reliability, and security of the Wide Area Network (WAN) while expanding services and improving agency communications. Target date: 2002</p> <p>Action item #1 Upgrade the existing ISDN circuits to Frame Relay during 2001.</p> <p>Action item #2 Upgrade remote dial-up services and explore alternative Internet access options such as DSL to increase speed and capacity for the Enforcement outposts and Ports of Entry (POE) by 2002.</p> |
| IR Strategy #7 | <p>Evaluate and acquire mobile computing platforms (i.e. hand-held PDAs, laptops, ruggedized, wireless) to assist enforcement agents with their paper workload. Target date: 2003</p> <p>Action item #1 Request funding in the 2002-03 LAR for acquisition of laptops and hand-held computers for the agency's enforcement agents.</p> <p>Action item #2 Pilot the use of wireless communications technology with the mobile computing platforms to improve the speed of retrieving information.</p> |
| IR Objective #2 | <p>Identify, enhance or rewrite existing IT systems which no longer meet user requirements or have become technically obsolete; develop new systems which meet new statewide initiatives; and replace manual processes with automation where significant cost benefits can be realized. Identification process should be completed by 2001.</p> |

| Item | Description |
|-----------------|--|
| IR Strategy #8 | <p>Develop and implement a plan to migrate all current mainframe based database systems to a state-of-the-art client/server environment which will provide enhanced support for electronic computing via the Internet, improve the maintainability of the systems, and reduce the overall operational costs while maintaining high performance and reliability levels. The solution should have superior data warehousing capabilities, and be platform independent. Target date: 2005</p> <p>Action item #1 Develop a budget plan for the purchase of hardware, software, and contracting resources to replace our current Model 204 computing environment. Prepare a LAR exceptional item project for submission to the 77th leg.</p> <p>Action item #2 Upon the availability of funding, proceed with the evaluation, purchase, and installation of a new database development model to replace Model 204 by 2002.</p> <p>Action item #3 Upon the availability of funding, re-engineer and migrate all Model 204 database application systems to the new database language by 2005.</p> |
| IR Strategy #9 | <p>Enhance/rewrite existing systems to improve the updating, inquiry, and reporting capabilities of these systems.</p> <p>Action item #1 Complete the current backlog of change requests before the end of 2000.</p> <p>Action item #2 Develop identified HR related end user computing systems into HRMS modules by 2001.</p> <p>Action item #3 Upgrade the POE system to allow flexible entry of sales information from multiple bridges.</p> |
| IR Strategy #10 | <p>Implement low cost computer scanner technology for capturing images of the agency's paper documents (marketing practices labels, license and permit files, records management system, etc.). Target date: 2001</p> <p>Action item #1 Implement an image system solution using the low cost scanner to capture the marketing practices AB labels by 2001.</p> <p>Action item #2 Implement networked scanners in the field offices to capture related enforcement case information by 2001.</p> |
| Goal 3 | <p>To adopt and apply information resources standards which are consistent with statewide direction ensuring the privacy, security, and historical integrity of the information and information resources.</p> <p><u>Relates to the following agency goals:</u></p> <p>Agency Goal #1 To promote the health, safety and welfare of the public and the well-being of the alcoholic beverage industry by taking positive steps to ensure voluntary compliance with the law and to deter the illegal manufacture, distribution, sale or consumption of alcoholic beverage</p> |

| Item | Description |
|-----------------|--|
| | <p>products.</p> <p>Agency Goal #2 To process alcoholic beverage license/permit applications and to issue licenses/permits in compliance with the Alcoholic Beverage Code.</p> <p>Agency Goal #3 To ensure compliance with the Alcoholic Beverage Code in the manufacturing, importing, exporting, transporting, storing, selling, serving and distributing of alcoholic beverages.</p> <p>Agency Goal #4 To carry out developed policies governing purchasing and public works contracting that foster meaningful and substantive inclusion of historically underutilized businesses.</p> <p><u>Supports the following state IR strategic plan goal:</u> Goal 3 Texas state government will ensure the privacy, security, and historical integrity of the information and information resources entrusted to government by the people of Texas.</p> |
| Objective#1 | <p>Ensure the privacy of agency information, and that the security and authentication of information and services are well maintained. Also ensure the continuous availability and business recovery of the agency's mission-critical information resources capabilities.</p> |
| IR Strategy #11 | <p>Annually update the agency's business recovery, IR Security, and disaster recovery plans to ensure the availability of all mission critical IR systems. Target date: 2000</p> <p>Action item #1 Update and test the agency Business Operations Recovery Plan every year.</p> <p>Action item #2 Update the Data Center Recovery Plan every year.</p> <p>Action item #3 Update the Voice and Data Communications Recovery Plan every year.</p> <p>Action item #4 Update the IR Security Plan every year and increase user awareness.</p> |
| IR Strategy #12 | <p>Implement electronic government standards (i.e. government portal, payment portal, electronic signatures) to improve data exchange with the alcoholic beverage industry and which are consistent with DIR's statewide standards. Target date: 2003</p> <p>Action item #1 Adopt electronic government standards which address data exchange, payment processing, and electronic digital signatures.</p> |
| Goal 4 | <p>Enhance the quality and efficiency of the agency information technology workforce through improved staff development and retention programs.</p> <p><u>Relates to the following agency goals:</u> Agency Goal #1 To promote the health, safety and welfare of the public and the well-being of the alcoholic beverage industry by taking positive steps to ensure voluntary compliance with the law and to deter the illegal manufacture, distribution, sale or consumption of alcoholic beverage products.</p> <p>Agency Goal #2 To process alcoholic beverage license/permit applications and to issue licenses/permits in compliance with the Alcoholic Beverage Code.</p> |

| Item | Description |
|-----------------|--|
| | <p><u>Supports the following state IR strategic plan goal:</u></p> <p>Goal 2 Texas state government will enhance the performance of its agencies' mandates, missions, and core competencies through appropriate application of information resources.</p> <p>Goal 3 Texas state government will ensure the privacy, security, and historical integrity of the information and information resources entrusted to government by the people of Texas.</p> <p>Goal 4 Texas state government's acquisition, use, and management of information resources will be driven by customer needs.</p> |
| IR Objective #1 | Improve the agency's ability to recruit, retain, and train qualified IT personnel. |
| IR Strategy #13 | <p>Continue to maintain competitive recruitment and retention programs in an effort to retain IT personnel. At the same time the agency should determine whether it has adequate resources to maintain mission critical IT responsibilities. Target date: 2001</p> <p>Action item #1 Evaluate the need for additional FTE's to adequately support all of the IT functions (security, technical writing, e-government, web support, field PC support). If needed, submit a plan to the 77th legislature requesting additional staffing.</p> <p>Action item #2 Continue with the apprenticeship program for developing system support specialists from the existing agency workforce.</p> <p>Action item #3 Develop and implement a plan to maintain a competitive salary structure and pursue other low cost, high reward benefits (i.e. administrative leave bonuses and paid training) in an effort to retain IT staff.</p> |

Table 2. Information Resources Policies and Practices

The policies and practices reflected below are maintained by the agency's Information Resources Department (IRD). These standards are documented in various manuals that are reviewed, used and updated on a regular basis.

| Category | Brief Summary/Overview |
|--------------------------------|---|
| IR Priority Setting | <p>Priority setting procedures have been established for the two most common types of IR requests: projects and changes. There are several different methods used to determine priorities for these activities. Large IR projects are prioritized from the list of IR strategic plan action items by a steering committee known as the Management Advisory Committee (MAC). The MAC consists of the senior executive level of the agency along with the Information Resources Manager (IRM) and generally meets quarterly or on an as needed basis. Smaller change requests are prioritized on a First In, First Out (FIFO) basis unless circumstances dictate a higher priority. The IRM with the help of the Maintenance coordinator oversees the priority setting of change requests.</p> <p>Projects Requests - Projects that have been identified in the IR strategic plan or are newly requested are submitted to the MAC, which determines the order in which they will be completed. The MAC is composed of the Assistant Administrator, executive level division directors and the IRM. The MAC reports to the agency Administrator. Only the Administrator can override the decisions of the MAC. IRD is responsible for completing the projects submitted in the order that the MAC has set. IRD cannot override their decision.</p> <p>Change Requests - The order in which change requests are addressed depends on several factors. The first is the user assigned priority. The user decides whether the change is of urgent, high, medium, or low priority. The user also states whether this is an enhancement, an error, or other, which also impacts the order of completion. The Maintenance Coordinator can override a user's assessment of priority or type. Changes with the same priority and type are taken on a FIFO basis. Senior executive level staff must approve by signature an urgent change request. Urgent change requests and high priority errors are always addressed first, then high priority enhancements. The remaining priority classifications in order of descending priority are medium errors, low errors, medium enhancements, and finally, low enhancements. Changes classified as "other" are reviewed on a case-by-case basis to determine their priority. The Maintenance Coordinator can change the order in which a change request is completed if the need arises and can be clearly demonstrated.</p> |
| IR Planning Methodology | <p>IRD's information resources planning methodology currently relies in part on a book from the DIR titled 'How to Plan for Information Management' - Dec. 1992. Information resources strategic plans are developed from this book. This guide describes the three-step method to follow when completing a plan: 1) analyzing the agency and its requirements for information, including all internal and external factors 2) analyzing how the agency uses information technology and 3) developing the agency's information management plan. Information resources planning is an ongoing activity within the TABC involving the executive level, division/department directors, and the agency's computer users. IR planning coincides with the agency strategic planning and budgeting processes encompassing all the identified needs from every division/department of the agency through interviews and surveys. Proposed IR strategies and activities are presented to the director and executive levels for approval. Once the IR planning process is completed, the final IR strategic plan is published within the agency strategic plan and forwarded to the agency Commissioners for</p> |

| Category | Brief Summary/Overview |
|---|--|
| | review and approval. |
| Operating System | The operating system is maintained in accordance with IBM standard guidelines. Upgrades to the operating system are performed as needed and generally occur biannually. Upgrades are performed when there is a need for new functionality which would adversely effect performance or when IBM announces that it is going to drop support for some component of the system. The system is upgraded as a whole when upgrades are deemed necessary. Components are not typically upgraded individually. IRD does not keep a dedicated systems programmer on staff. Whenever upgrades are necessary, systems programming contract services are used or the upgrade is performed by a staff programmer/analyst. |
| Development Methodology | IRD uses its own systems development methodology in all of its development efforts. All new systems are designed using this approach. An integrated CASE tool, System Architect is used to increase development productivity and to generate standard deliverables. Most current systems were designed using DESIGN/1, however, newer systems are documented in System Architect and project management is performed using Microsoft Project. IRD enhances its methodology with each new project. |
| Software Audit and Management | IRD utilizes a product called BindView that audits and monitors computer software usage and access agency wide. It also is capable of generating reports on software usage and installations to allow the network manager software compliance monitoring and management. IRD also manages a central repository for all software licenses and attempts to keep all departments current on their software licenses for Microsoft, and other third party software products that run on the individual PC's or on the agency's wide area network. |
| Quality Assurance (QA) Practices | <p>The agency has adopted DIR's internal quality assurance practices and expects to tailor these model processes, templates, and checklists to fit specific project needs. (Internal Quality Assurance Guidelines). This will vary based on project criticality, size, cost and other features. Some deliverables detail can be abbreviated for smaller projects while they may need careful detail on larger ones. DIR has developed a focus table to help developers determine the appropriate level of guideline usage (Quality Assurance Focus Table). The quality assurance focus table suggests high, medium, or low focus on quality assurance activities. Each of the quality assurance guideline processes suggests how to modify the processes for projects that match these characteristics. Historically, most agency IT projects fall into the low focus range requiring fewer QA activities and practices. Below is a sample of the practices currently in use for applications systems related projects.</p> <p>New projects (Application Systems Development) - The IRD quality assurance program is comprised of a series of milestones (based on the Focus Table evaluation of the project) in the systems development life cycle where the project is reviewed. Reviews are conducted by personnel not associated with the project (except for very small projects in which some of the work is performed by the project manager).</p> <p>User Acceptance – Utilizing the focus table guidelines, IRD conducts design review meetings with the user to go over the design documents during all projects to develop an application system. The user's sign off on IRD's design document indicates acceptance of the program/system's design.</p> <p>Maintenance of existing completed projects (Application Systems Support) – A Production Transfer Checklist form was designed to document and to standardize the process of moving modified procedures from development to production. Programmers are responsible for verifying that all requirements are met before a procedure is transferred into the production area. The programmers reference</p> |

| Category | Brief Summary/Overview |
|---------------------|---|
| | <p>guide stresses that it is extremely important that each programmer be knowledgeable of each step detailed on the Production Transfer Checklist in order to minimize program problems and ensure accurate documentation. User Acceptance - When a modified program meets required specifications related to a change request, the user approves the transfer of the program to production. IRD uses the Change Request Form that has two questions addressing user approval, they are "Requires User Testing" and "Requires User Approval". If either of these questions is answered YES, then the user requesting the program modification must be the first person approving this step. If both of these questions are answered NO, then the programmer who modified the procedure should test the procedure as thoroughly as possible and then approve this step. A second programmer must also verify this step before the procedure is transferred into production.</p> |
| E-Government | <p>Government Portal - The agency is closely watching the e-government initiative passed by the 76th Texas Legislature (Senate Bill 974) directing the Department of Information Resources (DIR) to establish a task force to assess the current and future feasibility of conducting government transactions via the Internet. The task force of state agencies will complete a feasibility study involving the establishment of a demonstration project for online government transactions, along with a survey of Texas state agencies and universities to determine opportunities and challenges for electronic government in the state. The report won't be released until November 1st of 2000, subsequently the agency plans to gather more information and remain flexible in addressing this important development and assess its impact on agency functions and processes for the benefit of the citizens of Texas. The agency did participate in the survey and expressed an interest in becoming a future pilot participant. Among the applications mentioned for the future e-government project were: marketing practices label approvals, excise tax fillings, and seller/server training certificates. Table 1 of this plan presented several strategies involving technical solutions for providing e-government related services.</p> <p>Public Web site - Currently the agency is hosting a public web site that gives the citizens of Texas and other states the opportunity to learn more about the agency, its mission, jobs and its education programs that help promote the agency's mission statement. In order to address the public safety issues the agency is responsible for. An attractive, easy to navigate public web site has been designed and implemented. This site is the flagship spokesman for the agency on the World Wide Web. It has valuable information for all persons who have an interest in the Alcohol Industry, the rules, regulations, roster lists and credit law release information is all available online at no cost. The website also presents other programs and agency sponsored initiatives as well. Project SAVE, Cops in Shops and other Youth outreach and education sections are included. The site can be found at http://www.tabc.state.tx.us.</p> <p>LAN Intranet Operations - In order to assist agency employees in the performance of their job duties, IRD has setup an Intranet Web server. This web site has links to agency EMAIL as well as search engines, departmental web pages, other agency web pages, and other support resources.</p> |

| Category | Brief Summary/Overview |
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| Change Control | <p>Configuration management and change enhancements to hardware, system software, and application software changes are documented and addressed through the change request procedures. Change requests are initially documented by the user or the change request coordinator and are then entered into an automated change request system. The level of effort to implement each change request is estimated and a priority assigned. The change request is then assigned to a staff member of IRD for resolution. The Maintenance Coordinator is responsible for assigning the change requests to staff members. All changes to existing systems are documented and monitored through this automated system. A change request could also initiate the rewrite of an existing system or the development of a new one.</p> |
| Security | <p>A formal Information Resources security plan is in effect with policies and practices in place to minimize security risks. A summary of the policies in the plan are listed below. All new employees are required to sign a confidential information non-disclosure agreement. Standard forms are in place and must have proper authorization before employees are allowed to access automated systems. Upon termination all access to information systems is revoked. Periodic messages are distributed via an on-line mailbox system regarding the importance of security. Written procedures are in place for requesting changes to programs or files, for documenting user acceptance, and for transferring applications from a development environment to a production environment. Backup and off-site storage procedures are in place to reduce risk of loss to data or software. The agency has performed a limited amount of risk analysis as part of its security plan.</p> <p>Information Security Risk Analysis - TABC employs no risk analysis software package. Owners of mainframe automated information resources have been identified. IRD serves as the custodian of all mainframe databases and files. Owners have completed data classification forms for all mainframe data files under their responsibility and have classified the data as confidential, sensitive or public. Special precautions or controls have been documented. An analysis was done to identify threats to the agency and their probability. There are several different levels of security employed by the TABC to further secure data and automated systems.</p> <p>Building Security - The building is only open during daytime hours and a magnetic pass card is required after hours. A building security system records the usage of a pass card.</p> <p>Data Center Security - The TABC data center and the LAN/PC support area have coded access and only authorized personnel are allowed to enter. Access codes are changed upon termination of an authorized person or if a change in job duties of an authorized person makes access to either area unnecessary. A centrally monitored access alarm is also in place that contacts the Austin Police and Fire Departments.</p> <p>Mainframe Software Security - No user may login to the system without a user identification and password. User ids are assigned by IRD only if a documented request is made. Access requests can only be made by division/departments Directors or their designee. Passwords are maintained by the user. IRD instructs users on proper password selection and usage. Passwords are encrypted to ensure their confidentiality. Dial-up lines are password protected and employ an automatic hang-up and call-back feature. Only authorized personnel have access to the dial-up password and call-backs are done only to pre-authorized numbers. Once logged in, a user is restricted to certain subsystems. Each user is authorized to use only the subsystems needed to perform their function. Screen security also exists to restrict access within a subsystem to only specified screens in that subsystem.</p> |

| Category | Brief Summary/Overview |
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| | <p>Client Server Software Security - Concept is similar to that of mainframe software security, no user is allowed access to a SQL Server database, the LAN/WAN or Lotus Notes without a user identification and password. Proper authorization by division/department Directors or their designee is required. After the logon process is complete, access to tables, columns and rows is managed through the permissions granted within each database. Access to Lotus Notes systems is granted by assigning employees to predefined roles. Only the data base owner (dbo), system administrator (sa) or Notes administrator can grant privileges to individuals or groups of users.</p> <p>File Server Software Security - No user may login to a Network file server without a user id and password. Access to data files is controlled at a departmental level where access is determined by the job functions that the employee performs. Rights to files must be granted by the Network Manager or one of the Systems Support Specialists. Users are granted rights only to network applications that they have valid software licenses for.</p> <p>Network Security Currently software is being used that provides network wide security audits. Analysis showing how access permissions are acquired for files, directories, and group memberships is available. This software provides tools to verify the service pack on every machine. Configuration analysis allows administrators to report disk usage, system configuration, and user properties. Application and service analysis can identify application errors and locate stopped NT services. A firewall allows limited access to the TABC website from the Internet.</p> <p>File Security - All mainframe files are password protected. Each file may have multiple passwords which correspond to different levels of access. IRD maintains separate areas for development and production. Only the Database Administrator is allowed to change data in the production environment. Users are not allowed to directly modify any files except through the applications systems. Several users do have download authority through pre-defined data views which limit their access.</p> <p>Program Security - Program security is exercised for both mainframe and PC based programs. Programmers are not allowed to change production programs. All changes are made in the development areas. After testing, the programs are transferred to the appropriate production area. Each time a transfer is performed a transfer checklist must be completed to ensure that programming standards have been met. A second programmer must also complete the checklist and authorize the transfer. Users may also be required to approve transfer of a program to ensure user acceptance.</p> |
| Geographic Information Systems (GIS) | <p>The agency is currently using an inexpensive PC based software package to map the locations of retail alcoholic beverage license holders in major metropolitan areas. Mainframe licensee addresses are download to a PC and then imported onto street maps for use by Compliance officers. The agency supports the policies and guidelines adopted by DIR concerning GIS</p> |
| Disaster Recovery/ Business Continuity Planning | <p>The importance of disaster recovery and contingency planning procedures has been acknowledged. Several things have been done at TABC to ensure that disaster recovery would be as smooth as possible.</p> <p>Business Resumption Plan - IRD has completed a Data Center Recovery Plan and a Voice and Data Communications Recovery Plan. All divisions are responsible for taking into account critical business functions and documenting them in the Business Operations Recovery Plan. These three plans make up the agency's Business Resumption Plan. The agency is using a planning methodology entitled Business Resumption Planning from Warren, Groham and Lamont, Inc. It describes emergency</p> |

| Category | Brief Summary/Overview |
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| | <p>measures which are to be implemented in the event of a disaster. It addresses procedures for safeguarding materials, designation of an alternate processing site and equipment requirements for off-site processing. It addresses contingencies such as lost data, downtime thresholds and related activities, and user and vendor responsibilities. In the event of a major business interruption, TABC plans to use the state owned Austin Disaster Recovery Center (ADROC) as a cold site. Plans for using hot site facilities will be part of the negotiation for outsourcing the agency's data center operations with the WTDROC contractor.</p> <p>Backups - Backups are central to any contingency plan. They are also important in day-to-day operations to reduce the risk of hardware failures and human error. The mainframe is backed up on a daily, weekly and monthly basis. The weekly and monthly tapes are cycled off-site, as they are produced. Daily tapes are kept in a fire-proof safe at Headquarters. All the file servers for the agency's LAN are backed up on a daily basis and the tapes are kept offsite at the state library and onsite in a fire-proof safe. Each division is responsible for backing up field office WAN divisional servers and each person is responsible for backing up their own PC.</p> |
| Resource Use | <p>Voice - The TABC uses the statewide telecommunications system (TEX-AN III) for all of its long distance calls. Local calls are handled through local public telephone exchanges.</p> <p>Data (End User Computing) - IRD has established general guidelines for microcomputer usage in end user environments. Standard packages have been defined for most major software types (e.g. Spreadsheet, word processing, database and presentation software). Hardware standards are set and controlled by the Network Manager and IRD Department Director to ensure that they meet requirements for the proposed agency strategies. All PC related computer purchases require that the Information Resources Manager (IRM) review and approve the purchase to ensure the items can meet support, compatibility and strategy requirements.</p> <p>Support - End user computing support for the various divisions is provided by IRD. However, some departments have special needs which are supported with their own internal resources. IRD does however provide general support to all departments. IRD also monitors all departments with respect to their LAN disk usage. IRD also maintains an intranet support server accessible by all employees that contains valuable information that is TABC specific.</p> <p>Software - Much of the software used at the agency headquarters resides on Windows NT file servers. For fault tolerance reasons, all users have Microsoft Windows Workstation, Microsoft Word, Excel or other equivalent products and TN3270 emulation software installed on their desktop computers. Special use applications also reside on users desktop computers where network licensing is either nonexistent or impractical. All field PC software resides on the PC's local drives, and data on the local office's NT file server. Standards for a particular type of software product are listed below, but the actual versions used are determined at a department level.</p> <p><u>PC Operating Systems</u> - Windows NT 4.0 is the operating system standard for the agency.</p> <p><u>LAN/WAN</u> - Microsoft Windows NT Server, is the current LAN software standard used by the agency.</p> <p><u>3270 Emulation</u> - Several different products are being used. Virtually all are TN3270 based. Many different needs exist and no one package would suit the needs of all</p> |

| Category | Brief Summary/Overview |
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| | <p>users at the current time.</p> <p><u>Word-processing</u> - Word for Windows is the standard wordprocessor for the agency with a few Wordperfect for Windows users that haven't converted over. The agency is migrating all users to Microsoft Word.</p> <p><u>Spreadsheet</u> - Microsoft Excel is the standard spreadsheet used by the agency. A few versions of QuatroPro and Lotus are still in use, but are being phased out.</p> <p><u>Database Management System</u> - For In house developed applications SQL server and Visual Foxpro encompass the main development tools. Cosmos Revelation is the standard for applications created and maintained by the Compliance Department. All IRD developed end user DBMS applications are coded in Visual Foxpro.</p> <p><u>Client/Server</u> - The current "back-end" database server is Microsoft's SQL Server. The current client "front-ends" are Microsoft's Visual Foxpro, Access and Microsoft Excel. The Client/Server concept also includes interfaces with mainframe and other PC products that allow for connectivity to the agency's mainframe database Model 204. These products are Horizon204 and Connect *.</p> <p>Hardware - Two hardware bus types are currently supported within the agency: 1) Peripheral Component Interconnect (PCI); 2) Industry Standard Architecture (ISA). Minimum recommended CPU models for purchasing consideration at this time are Intel Pentium II for laptops and Intel Pentium III 450 mhz for desktops. However, each purchase is reviewed on a case by case basis, by the agency IRM, to ensure conformity with agency and statewide goals.</p> <p>Video - The TABC currently has no standards nor guidelines in place regarding video services. Video is not used as a communication medium by the TABC.</p> |
| Contract/Consultant | <p>Contract services typically may fall into three types: systems programming, applications programming, and PC support. Contract services are used when special skills are required or when the resource requirements necessary to complete a project are greater than the permanent staff available. This is generally the case with contract services in the application area. Contracts are usually executed on a project basis or per period basis depending on the need. All contract services are acquired through the Quality Information Systems (QIS) provider catalog services process.</p> |
| Information Sharing | <p>The need for interagency information sharing is reviewed on a case-by-case basis. These links are generally necessary as a result of legislative mandate. Whenever the need for a link is established, the user initiates the process with the management of the server agency. IRD then handles the technical end of the connection in cooperation with the technical department of the server agency. Links are established when there is a need for information that cannot be obtained internally and this information can be supplied from some obvious external source. This external source must currently be some other governmental body.</p> |
| Training and Continuing Education | <p>The Human Resources Department (HRD) maintains a Training and Education Policy statement that reflects the agency's commitment to staff development. Training related activities of the HRD are: coordinating training activities, presenting training programs, consulting with staff about training needs, and maintaining complete records on activities. IR and other agency employees communicate their training needs to their supervisor for an overall planning effort toward future programs. The information resources staff may attend seminars, conferences, product shows, in-house training,</p> |

| Category | Brief Summary/Overview |
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| | and outside professionally provided training to improve both knowledge and job-related skills. |
| Data Center Operations | <p>IRD maintains a data center in the Headquarters office. It is manned by cross trained and dual-use system support specialists. Their functions cover PC and LAN hardware and software support as well as Mainframe printing and batch job processing. IRD production batch starts at 5:00pm on weekdays and ends between 12:00midnight to 3:00am in the morning. At the appropriate time backups run and the morning support person arrives and prints any leftover output and secures the backup tapes from the mainframe and LAN servers checks for condition codes and loads the following day's backup tapes. IRD has staff onsite Monday – Friday from 6:00am to 8:00pm, and for 3-4 hours on Saturday morning. The Help Desk phone is manned by system support personnel who carry digital / alpha numeric pagers and are “on call” during off hours.</p> <p>The agency and WTDROC contractor Northrop Grumman have begun discussions on the possibility of outsourcing IBM mainframe data center operations to the WTDROC. Among the services being considered are all data center operations including console operations, tape operations, systems programming, help desk support, management & administration, and printing operations. Once a comparative cost analysis has been evaluated to determine reasonable costs, the agency will either proceed with the outsourcing services through WTDROC or submit a waiver to the LBB for consideration of another alternative. It is expected that any outsourcing agreement would be negotiated for a period of up to 5 years or until the agency migrates away from the mainframe computing environment.</p> |

Table 3: Agency Platforms, Systems, and Telecommunications

| CATEGORY | TYPE | OPERATING SYSTEM | DATABASE MGMT. SYSTEM | CAPACITY/ SIZE/COUNT | COMMENTS/ DESCRIPTIVE INFORMATION |
|--|--|---|---|-------------------------------|---|
| Mainframe 9221-191 | Manufacturer IBM | Primary O/S used OS/390v2r7 | Primary DBMS used Computer Corporation of America's Model 204 | Capacity (MIPS) 11 MIPS | |
| Minicomputer N/A | Manufacturer N/A | Primary O/S used N/A | Primary DBMS used N/A | Capacity (MIPS) N/A | |
| Network | | | | | See network topology chart following this table. |
| LAN Servers Production(HQ) Milkyway Neptune Jupiter Saturn Mars Pecan Oak Uranus Vega | PC or Mac Gateway ALR Gateway G6-200 Dell PE 1300 Gateway ALR Gateway G6-200 Dell PE 1300 Dell PE 1300 Gateway G6-200 Dell PE 2300 | Primary O/S used NT Server NT Server NT Server NT Server NT Server NT Server NT Server NT Server NT Server | Primary DBMS used Lotus Notes MS SQL & Lotus Notes MS SQL | 9 | PDC, REPL,DNS,WINS RAS/EMAIL PUBLIC WEB SITE FILE/PRINTERS AUDIO VISUAL BDC,SMS,BINDVIEW, BACKUPS |
| WAN Servers (District Offices) Austin D.O. Austin Radio Shop Abilene D.O. Amarillo D.O. Beaumont D.O. Bryan D.O. Conroe D.O. Corpus Christi D.O. Dallas D.O. Dickinson D.O. El Paso D.O. Ft. Worth D.O. Houston D.O. Longview D.O. Lubbock D.O. McAllen D.O. Odessa D.O. San Antonio D.O. Victoria D.O. Waco D.O. Wichita Falls D.O. | PC or Mac Gateway ALR Dell PE 1300 Dell PE 1300 Dell PE 1300 Dell PE 1300 Dell PE 1300 Dell PE 1300 Dell PE 1300 Dell PE 1300 Dell PE 1300 Dell PE 1300 Gateway ALR Dell PE 1300 Dell PE 1300 Dell PE 1300 Dell PE 1300 Gateway ALR Dell PE 1300 Dell PE 1300 Dell PE 1300 Dell PE 1300 | Primary O/S used NT Server NT Server | Primary DBMS used | 20 | ALL FILE SERVERS ARE BDC's ALSO |
| LAN Client/ Work- stations (Central) Headquarters | PC or Mac Gateway 2000 Dell | Primary O/S used Windows NT 4.0 Windows NT 4.0 | Primary DBMS used N/A | 135 | |

| CATEGORY | TYPE | OPERATING SYSTEM | DATABASE MGMT. SYSTEM | CAPACITY/ SIZE/COUNT | COMMENTS/ DESCRIPTIVE INFORMATION |
|--|---------------|--|-----------------------|----------------------|-----------------------------------|
| WAN Client/ Work-stations (Remote) | PC or Mac | Primary O/S used | Primary DBMS used | 250 | |
| Austin D.O. | Gateway, Dell | NT Workstation | N/A | | |
| Austin Radio Shop | Gateway, Dell | NT Workstation | N/A | | |
| Abilene D.O. | Gateway, Dell | NT Workstation | N/A | | |
| Amarillo D.O. | Gateway, Dell | NT Workstation | N/A | | |
| Beaumont D.O. | Gateway, Dell | NT Workstation | N/A | | |
| Bryan D.O. | Gateway, Dell | NT Workstation | N/A | | |
| Conroe D.O. | Gateway, Dell | NT Workstation | N/A | | |
| Corpus Christi D.O. | Gateway, Dell | NT Workstation | N/A | | |
| Dallas D.O. | Gateway, Dell | NT Workstation | N/A | | |
| Dickinson D.O. | Gateway, Dell | NT Workstation | N/A | | |
| El Paso D.O. | Gateway, Dell | NT Workstation | N/A | | |
| Ft. Worth D.O. | Gateway, Dell | NT Workstation | N/A | | |
| Houston D.O. | Gateway, Dell | NT Workstation | N/A | | |
| Longview D.O. | Gateway, Dell | NT Workstation | N/A | | |
| Lubbock D.O. | Gateway, Dell | NT Workstation | N/A | | |
| McAllen D.O. | Gateway, Dell | NT Workstation | N/A | | |
| Odessa D.O. | Gateway, Dell | NT Workstation | N/A | | |
| San Antonio D.O. | Gateway, Dell | NT Workstation | N/A | | |
| Victoria D.O. | Gateway, Dell | NT Workstation | N/A | | |
| Waco D.O. | Gateway, Dell | NT Workstation | N/A | | |
| Wichita Falls D.O. | Gateway, Dell | NT Workstation | N/A | | |
| Standalone PC Workstations Statewide | PC or Mac | Primary O/S used | Primary DBMS used | 125 | |
| | Caliber | WFW311 | | | |
| | Daly | WFW311 | | | |
| | Dell | NT Workstation | | | |
| | Gateway | NT Workstation | | | |
| | IBM | Dosshell | | | |
| Internet Service Provider | | Vendor General Services Commission Southwestern Bell | | N/A | |
| Shared Network | | General Services Commission | | N/A | |

Texas Alcoholic Beverage Commission Wide Area Network Project Network Topology Overview

Prepared by: Todd Ellzey
Date: April 28, 1999

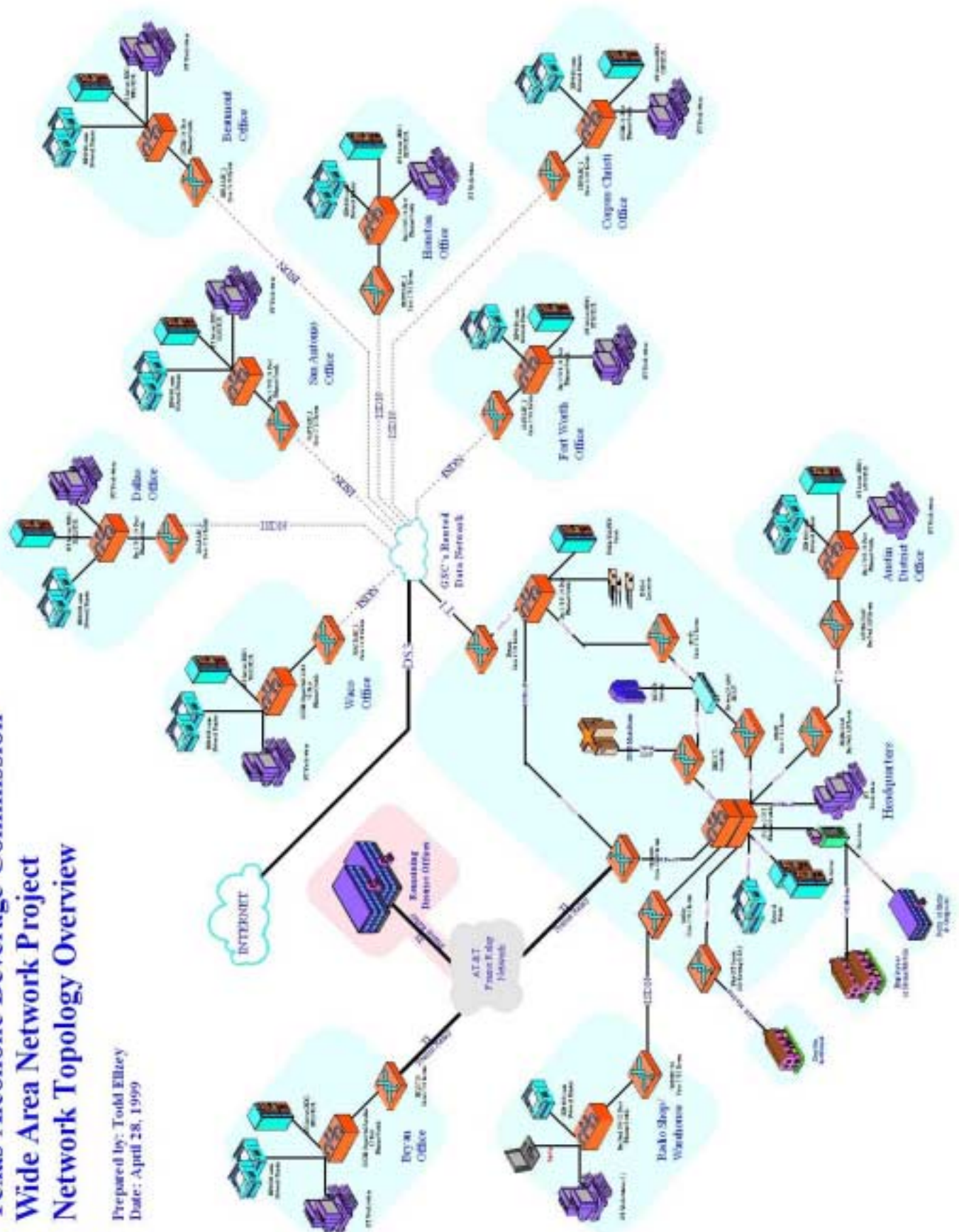


Table 4: Agency Database

| Mainframe Database Systems | |
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| Database Name: | Licensing Information Processing System (LIPS) |
| Database Description: | The LIPS system was designed to provide on-line data entry, update and inquiry on license/permit information and other related data concerning the alcoholic beverage industry within the State of Texas. This system is considered the "cornerstone" application system of the agency, since it provides information to all divisions of the TABC. It includes extensive on-line inquiry capabilities via multiple or combination keys. A revenue processing application provides on-line data entry, update and inquiry on revenue collected by the agency. A credit law application allows on-line data entry, update, inquiry and reporting of delinquent payments to wholesalers for alcoholic beverages. A batch submission application allows end users of all divisions to submit batch jobs through an on-line system of interactive programs. A special mailing system was designed to allow all user divisions to maintain their own mailing label information and print mailing labels when desired. |
| Database System: | Model 204 DBMS |
| Estimated Physical Storage Requirements | 40,500 Tracks |
| GIS Data Classification: | No GIS data |
| Sharing: | Information is sent to the Texas Lottery Commission for verification of illegal operations, lottery tickets cannot be sold at locations holding certain classes of licenses. Information on classes of permits that allow liquor by the drink is sent to State Comptroller's Office for tax collection and auditing purposes. Information is sent State Comptroller's Office for certification of class FB (Food and Beverage) permits. Information is sent to DPS for criminal history background checks on applicants for licenses. |
| Future: | Modifications due to routine maintenance or legislative mandates. Expand inquiry functions to allow inquiry via the agency's public web site as stated in IR Strategy #1. Long-range plans are to migrate from current mainframe based database to a state-of-the-art client/server environment as stated in IR Strategy #8. The revenue collection application of this system will be impacted when actions detailed IR Strategy #3 are implemented for collecting taxes using the e-government framework. Implementation of IR Strategy #12 which adopts standards to improve data exchange will also affect the revenue processing portion of this system. |
| Database Name: | Automated Audit (AUDIT) |
| Database Description: | The AUDIT system was designed to automate the audit frequency scheduling and reporting function of the Compliance department at TABC headquarters. Audit information is captured and processed for excise |

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| | taxpayers. A Past History Inquiry application allows on-line inquiries into data such as past trade names, past locations and active/inactive status of licenses/permits. |
| Database System: | Model 204 DBMS |
| Estimated Physical Storage Requirements: | 5,300 Tracks |
| GIS Data Classification: | No GIS data |
| Sharing: | Information is sent to Office of Attorney General, at least twice a year, on persons holding a license or permit. The Child Support Division of the Attorney General's Office uses this information. |
| Future: | Modifications due to routine maintenance or legislative mandates. Could be impacted by expansion of inquiry functions to allow inquiry via the agency's public web site as stated in IR Strategy #1. Automate manual process for collecting excise tax reports with a new system that uses the e-government framework to collect taxes as stated in IR Strategy #3. Long-range plans are to migrate from current mainframe based database to a state-of-the-art client/server environment as stated in IR Strategy #8 |
| | |
| Database Name: | Enforcement Activity Reporting System (EARS) |
| Database Description: | The Enforcement Activity Reporting System was designed to provide a means for the Enforcement division to collect, store and report field compliance information efficiently. This information includes agent activity and information relating to citations and warnings issued. An inspection and complaint tracking application allows agents to capture information, report and follow up on routine and non routine inspections and all types of complaints |
| Database System: | Model 204 DBMS |
| Estimated Physical Storage Requirements: | 29,300 Tracks |
| | |
| GIS Data Classification: | No GIS data |
| Sharing: | None. |
| Future: | Modifications due to routine maintenance or legislative mandates. Expand inquiry functions to allow inquiry via the agency's public web site as stated in IR Strategy #1. If funding for purchase of laptops or hand held computers is granted then this system will be impacted by IR Strategy #7. Long-range plans are to migrate from current mainframe based database to a state-of-the-art client/server environment as stated in IR Strategy #8. Would be impacted by IR Strategy #10 upon implementation of a scanner solution to capture related enforcement case information. |

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| Database Name: | Hearings Information and Processing System (HIPS) |
| Database Description: | The Hearings Information and Processing System was designed to aid in the administration of the hearings held in the agency's behalf. It allows inquiries into all of the detailed information pertinent to a case. This information comes from HIPS and other systems. The Legal section records information such as hearings examiner, prosecutor, witnesses, protestants and important dates. The majority of information for this system is contained in the DOCKET file, which is part of the Enforcement Activity Reporting System (EARS). |
| Database System: | Model 204 DBMS |
| Estimated Physical Storage Requirements: | 100 Tracks |
| GIS Data Classification: | No GIS data |
| Sharing: | None. |
| Future: | Modifications due to routine maintenance or legislative mandates. Could be impacted by expansion of inquiry functions to allow inquiry via the agency's public web site as stated in IR Strategy #1. Could possibly be impacted by automation of manual processes for collecting revenues (civil penalties) taxes as stated in IR Strategy #3. Currently this strategy deals mainly with excise taxes, but if capabilities are available then fines collected in field offices may be processed similarly. Long-range plans are to migrate from current mainframe based database to a state-of-the-art client/server environment as stated in IR Strategy #8 |
| Database Name: | Equipment Inventory System (INVENTORY) |
| Database Description: | The equipment inventory system was designed to account for all property and equipment of the agency. It allows on-line inquiries and reporting of information by several different key fields. The inventory system includes a consumable inventory system, which allows consumable supplies of the agency to be ordered by internal departments, tracked and accounted for. This system was expanded to include a historically underutilized business inquiry that contains information on certified HUB vendors. |
| Database System: | Model 204 DBMS |
| Estimated Physical Storage Requirements: | 1,800 Tracks |
| GIS Data Classification: | No GIS data |
| Sharing: | None. |
| Future: | Modifications due to routine maintenance. May be expanded to include an agency records tracking function (ARTS) for records management. Long-range plans are to migrate from current mainframe based database to a state-of-the-art client/server environment as stated in IR Strategy #8 |

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| Database Name: | Motor Vehicle System (VEHICLE) |
| Database Description: | The VEHICLE system was designed to track vehicles used by the agency. The system allows for on-line entry of fuel usage, repair cost and mileage information. Reports are generated allowing users to determine maintenance scheduling, projected vehicle life, average mileage and other management statistics. Programs and files are both updated and used by General Services Department and Enforcement Division personnel. |
| Database System: | Model 204 DBMS |
| Estimated Physical Storage Requirements: | 1,000 Tracks |
| GIS Data Classification: | No GIS data |
| Sharing: | Information on purchases and repairs for vehicles are extracted from mainframe files, transferred to floppy disk and sent to the General Services Commission. |
| Future: | Modifications due to routine maintenance or legislative mandates. Long-range plans are to migrate from current mainframe based database to a state-of-the-art client/server environment as stated in IR Strategy #8 |
| Database Name: | Server Training System (SERVER) |
| Database Description: | The Server Training System was designed to capture, track, certify and provide information on all persons who have been trained in the responsible serving of alcoholic beverages to the general public. It also provides a method of certifying schools and instructors that are involved in the server training process. |
| Database System: | Model 204 DBMS |
| Estimated Physical Storage Requirements: | 7,400 Tracks |
| GIS Data Classification: | No GIS data |
| Sharing: | None. |
| Future: | Modifications due to routine maintenance or legislative mandates. Could be impacted by expansion of inquiry functions to allow inquiry via the agency's public web site as stated in IR Strategy #1. Could possibly be impacted by automation of manual processes for collecting revenues as stated in IR Strategy #3. Currently this strategy deals mainly with excise taxes, but if capabilities are available and Seller Training becomes mandatory then sheer volume of transactions would warrant consideration of alternate processing methods. Long-range plans are to migrate from current mainframe based database to a state-of-the-art client/server environment as stated in IR Strategy #8 |

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| Database Name: | Mailbox and Utilities System |
| Database Description: | The Mailbox and various utility systems were designed to meet a variety of needs. The Mailbox system was designed to provide a method for users to send correspondence on-line. Some of the utilities that currently exist are the procedure transfer utility, which is used to move procedures from test to production environments, and utilities used by operations to automate some manual or routine processes such as labeling tapes and printing address labels. |
| Database System: | Model 204 DBMS |
| Estimated Physical Storage Requirements: | 500 Tracks |
| GIS Data Classification: | No GIS data |
| Sharing: | None. |
| Future: | Programs related to this function should be reviewed to determine if they should be made obsolete. Problem tracking is now done with a newer system using Lotus Notes. Current mainframe Mailbox messaging system could become obsolete once every employee is on WAN/LAN. |
| | |
| Client/Server Databases | |
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| Database Name: | Uniform Statewide Accounting System (USAS) |
| Database Description: | The Fiscal Services Department uses the USAS system maintained by the State Comptroller for a majority of the agency's accounting needs. For enhanced internal reporting and to provide a more flexible query, a daily extract file is loaded into a SQL table. |
| Database System: | Microsoft SQL Server |
| Estimated Physical Storage Requirements: | 2,000MB |
| GIS Data Classification: | No GIS data |
| Sharing: | None |
| Future: | Modifications due to routine maintenance. |
| | |
| Database Name: | MktPract |
| Database Description: | This system is designed to provide the Marketing Practices department a means of tracking, reporting and approving (or rejecting) applications for alcoholic beverage labels for products sold in the State of Texas. This system also provides for tracking and reporting of application fees received for label approval. |
| Database System: | Microsoft SQL Server |
| Estimated Physical Storage | 125MB |

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| Requirements: | |
| GIS Data Classification: | No GIS data |
| Sharing: | None |
| Future: | Modifications due to routine maintenance. Impacted by expansion of inquiry functions to allow interactive Marketing Practices label inquiry via the agency's public web site as stated in IR Strategy #1. Would be impacted by IR Strategy #10 upon implementation of a scanner solution to capture images of alcoholic beverage labels. |
| | |
| Database Name: | POEST |
| Database Description: | This system is designed to provide the Compliance Departments Ports of Entry personnel with an automated means of ordering, tracking, and reporting tax stamps required for alcoholic beverages brought into the State of Texas from Mexico. This system provides an automated inventory of various stamp types for tracking and reporting. |
| Database System: | Microsoft SQL Server |
| Estimated Physical Storage Requirements: | 60MB |
| GIS Data Classification: | No GIS data |
| Sharing: | None |
| Future: | Modifications due to routine maintenance or legislative mandates. Could be impacted by IR Strategy #6 which deals with upgrades to dial up access and expanded internet access options. |
| | |
| Database Name: | HRMS |
| Database Description: | This application contains information on agency employees such as race and sex. Currently this application is used only for reporting and is maintained by Human Resources Department. |
| Database System: | FoxPro |
| Estimated Physical Storage Requirements: | 120MB |
| GIS Data Classification: | No GIS data |
| Sharing: | None |
| Future: | Human Resources Management System was put in to production April 2000. Future modules of HRMS system will replace several smaller systems used by various departments. Some of the systems to be replaced include the Enforcement Division Personnel System and the Enforcement Firearms Training system. |
| | |
| Database Name: | Problem Tracking |
| Database | This system is designed to provide a problem tracking and reporting |

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| Description: | system, which includes a means to log problems and the effort, required to resolve them. It provides online inquiry and reporting of problems and all associated information. |
| Database System: | LOTUS NOTES |
| Estimated Physical Storage Requirements: | 5MB |
| GIS Data Classification: | No GIS data |
| Sharing: | None |
| Future: | Modifications to allow for expanded reporting and inquiry capabilities. |
| | |
| Database Name: | TABC Purchase Tracking |
| Database Description: | This system is designed to provide a completely automated purchasing system for the agency. All authorized users are allowed to request divisional purchases. An automated approval process requires that all necessary levels of approval be obtained before any further processing is allowed. Encumbrances are tracked and reported. Purchase orders are automatically generated. Receiving and distribution of items is captured and reported. |
| Database System: | LOTUS NOTES |
| Estimated Physical Storage Requirements: | 33MB |
| GIS Data Classification: | No GIS data |
| Sharing: | None |
| Future: | Routine maintenance and modifications to allow for expanded reporting and inquiry capabilities. |
| | |
| Database Name: | TABC Travel Tracking |
| Database Description: | This system is designed to provide a completely automated travel request system for the agency. All authorized users are allowed to request travel. An automated approval process requires that all necessary levels of approval be obtained before any further processing is allowed. Encumbrances are tracked and reported. Travel Vouchers Purchase orders are automatically generated. |
| Database System: | LOTUS NOTES |
| Estimated Physical Storage Requirements: | 10MB |
| GIS Data Classification: | No GIS data |
| Sharing: | None |
| Future: | Routine maintenance and modifications to allow for expanded reporting and inquiry capabilities. |

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| | |
| End User Computing Databases | |
| Database Name: | Enforcement Division Personnel System |
| Database Description: | This system was designed to provide the Enforcement Division a means of keeping track of its personnel. This system tracks addresses, classifications, titles, salaries, pay histories and disciplinary actions. |
| Database System: | Open Insight |
| Estimated Physical Storage Requirements: | 1.5 MB |
| GIS Data Classification: | No GIS data |
| Sharing: | None |
| Future: | No planned enhancements. This system will become obsolete once all data is verified in the agency's Human Resources Management System (HRMS). HRMS went into production April 2000. |
| Database Name: | Auditing District Database |
| Database Description: | This application is used in each district office to maintain all audit information for management reports and data accumulation for state evaluation statistics. It is executed as a run time application. |
| Database System: | Revelation G |
| Estimated Physical Storage Requirements: | 4 MB |
| GIS Data Classification: | No GIS data |
| Sharing: | None |
| Future: | This system is being rewritten in OpenInsight. |
| | |
| Database Name: | Audit Information Download System |
| Database Description: | After downloading data from the IBM mainframe using Connect*, this system converts the ASCII data into the Revelation database format and prepares it for downloading to the 12 district offices. |
| Database System: | Revelation |
| Estimated Physical Storage Requirements: | 2 MB |
| GIS Data Classification: | No GIS data |
| Sharing: | None |
| Future: | This system is being rewritten in OpenInsight. |
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|--|--|
| Database Name: | Health Insurance Tracking System |
| Database Description | Maintain health insurance records for all TABC employees. The Insurance/Benefits Coordinator uses this system. |
| Database System: | OpenInsight |
| Estimated Physical Storage Requirements: | 5 MB |
| GIS Data Classification: | No GIS data |
| Sharing: | None |
| Future: | Routine maintenance as required. |
| | |
| Database Name: | Worker's Compensation Tracking System |
| Database Description: | Maintains Workers' Compensation records for all TABC employees. It is utilized by the Insurance/Benefits Coordinator. May contain historical deferred compensation, statewide USPS system is not used for tracking deferred compensation data. |
| Database System: | OpenInsight |
| Estimated Physical Storage Requirements: | 5 MB |
| GIS Data Classification: | No GIS data |
| Sharing: | None |
| Future: | Routine maintenance as required. |
| | |
| Database Name: | Incentive Program Tracking System |
| Database Description: | This system is no longer used; the statewide SEIP system is now used. This system is being kept for historical data on incentive program records for all TABC employees. |
| Database System: | OpenInsight |
| Estimated Physical Storage Requirements: | 5 MB |
| GIS Data Classification: | No GIS data |
| Sharing: | None |
| Future: | None, Replaced by statewide SEIP system. |
| | |
| Database Name: | Audit Questionnaire Analysis System |
| Database Description: | The system was developed to maintain statistics on audit questionnaires returned by permittees. |
| Database System: | OpenInsight |
| Estimated Physical Storage Requirements: | 10 MB |

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|--|---|
| GIS Data Classification: | No GIS data |
| Sharing: | None |
| Future: | Routine maintenance as required. |
| | |
| Database Name: | Seller Training Questionnaire Analysis System |
| Database Description: | This system was developed to maintain statistics on questionnaires used to evaluate seller trainers and the sessions they teach. Trainees, people that attend classes to be seller certified, complete these questionnaires. |
| Database System: | OpenInsight |
| Estimated Physical Storage Requirements: | 5 MB |
| GIS Data Classification: | No GIS data |
| Sharing: | None |
| Future: | Routine maintenance as required. |
| | |
| Database Name: | Food and Beverage History |
| Database Description: | This system was developed to capture information relating to Food and Beverage Permits (class FB). Information is used for analysis of qualifications, inspection history and outcomes, and to provide an audit history. |
| Database System: | OpenInsight |
| Estimated Physical Storage Requirements: | 5 MB |
| GIS Data Classification: | No GIS data |
| Sharing: | None |
| Future: | Routine maintenance as required. |
| | |
| Database Name: | Market and Practices Violation History |
| Database Description: | This system was developed to capture and maintain information relating to prosecutor recommendations. A violation history is maintained along with recommendations and penalty information. The agency's General Counsel uses this information. |
| Database System: | OpenInsight |
| Estimated Physical Storage Requirements: | 5 MB |
| GIS Data Classification: | No GIS data |
| Sharing: | None |
| Future: | Routine maintenance as required. |
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|--|--|
| Database Name: | Geographic Location Database |
| Database Description: | This system is used to determine various geographical statistics. Location information on items such as licenses and permits is extracted from the LIPS system and analyzed for various purposes. This system may be used to determine proximity of locations licensed to sell alcoholic beverages to schools and other sensitive sites. |
| Database System: | GeoLocator |
| Estimated Physical Storage Requirements: | 5 MB |
| GIS Data Classification: | |
| Sharing: | None |
| Future: | |

Table 5. Agency Applications

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| | None to report. All of the agency's application systems have been presented under table 4 – Agency Databases |
|--|--|

Table 6: Interagency Data Needs

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|-------------------|--|
| List | <p>1. TABC currently has inquiry access to the State Comptrollers system to verify things such as charter numbers, FEI numbers and good standing status of an entity. Inquiry into tax information for alcohol sales would be beneficial. This information is used to verify that a permit is qualified for a food and beverage license. It could also be used to determine if an expired permit is still reporting (or doing business). This information is now received via a telephone call; a system to Email information is currently being implemented.</p> <p>2. TABC currently has access to some information maintained by the Department of Public Safety. Access to information on arrests involving alcohol or vehicle accidents is imperative to ensure timely and immediate investigation into the illegal purchase or use of alcoholic beverages.</p> <p>3. The most manually intensive gathering of information is related to case dispositions. Many arrests made by TABC agents result in cases that are held at a local level – Juvenile courts, county courts, etc. The major problem is that each city/county/district handles information in a different manner, in many areas there is no automated system. Access to any system that shows the final disposition of each arrest/case is essential as current requirements to report such information to TABC by local courts is not dependable.</p> <p>4. TABC reports uncollected delinquent accounts to the Attorney General's office where a 'hold' is put on persons owing money to the state. Currently TABC will call to verify payment status of fines or taxes. An inquiry that allowed this information is more efficient.</p> <p>5. Some vehicle information is available for criminal arrests via Department of Public Safety. Access to vehicle title registration history for administrative cases must be obtained with a subpoena from the Texas Department of Transportation. An inquiry would be of some benefit.</p> |
| Obstacles | <p>For most items listed technology is probably the key factor for data inaccessibility. Access to vehicle title histories, arrest and accident information may be protected from open records and will need to be researched fully. No item listed with the exception of item #5 is a major issue, all data is available currently through some channel.</p> |
| Needed Assistance | <p>None. As technological capabilities increase at TABC, obstacles hindering sharing of information will decrease.</p> |

APPENDIX H

UNDERAGE DRINKING INITIATIVES

Underage Drinking Initiatives

Cooperative On-Premise Stings (COPS)

The COPS program is a voluntary cooperative effort between the Texas Alcoholic Beverage Commission (TABC) and on-premise retailers. The COPS program takes a pro-active approach focusing on persons under 21 years of age in deterring the illegal purchase and consumption of alcohol. The program will achieve this goal by placing TABC agents posing as employees or customers in retail establishments that sell alcohol for consumption on the premises. The program will concentrate on minors presenting fake identification, (ID's) adults making available to minors and possession and consumption of alcoholic beverages by minors. All detected violators will be cited or arrested. During the time agents spend with the on-premise retailer's employees, they will demonstrate and share their extensive knowledge and experience with dealing with fake ID's, minors, and intoxicated persons. This educational effort by agents will contribute to TABC's positive commitment towards alcohol awareness and help to reduce the number of minors involved in alcohol-related crashes and DWI arrest.

On-Premise Minor Stings

The project goal will be accomplished by deterring on-premise licensed locations from selling alcoholic beverages to minors. Undercover agents and minors equipped with hidden audio/video equipment will make unannounced visits to locations that sell alcoholic beverages. The minor will attempt to purchase alcohol while the agent is filming the transaction inside the store. This agent also serves to protect the minor. Two other agents work outside the business helping to secure the location during the sting and also working as the identification team in the event a violation occurs. Filming of the purchase provides a record of the violation for both criminal and administrative action that may be filed. Citations will be issued to individuals caught in the sting unless an arrest is required.

Administrative cases will be filed against the establishments cited in the sting. These administrative cases will result in the license or permit of the business receiving a fine or suspension upon conviction.

The program will also provide positive reinforcement to retailers who do not sell to the minor. A congratulatory letter is sent to the retailer advising them of the sting and commending the establishment for obeying the law and not selling to the minor.

Seller-Server Monitoring and Evaluation

The purpose of the grant is to determine the effectiveness of the seller-server training program as it relates to the number of violations involving sale or service of alcohol to minors and sale of alcohol to intoxicated persons.

This will be accomplished by hiring a professional evaluator to assess the seller-server program for effectiveness. The TABC will work with the evaluator in gathering the needed statistics for the evaluation. The TABC will conduct two different types of sting operations

for statistical purposes. One will be minor stings. Minor stings are used to determine if businesses or their employees sell alcoholic beverages to minors. The sting will be conducted at 100 pre-selected locations in each of three areas. These areas are Dallas-Fort Worth, Houston and San Antonio. Each of these areas was picked based on staffing to conduct the stings and the number of licensed locations in the area. The evaluator will be a part of each sting and will gather information that is needed at the time the sting is being conducted. Criminal and administrative charges will be filed for any detected violations. Normal agency procedures will be followed for all stings.

The second group of stings will again be conducted by TABC personnel in conjunction with the evaluator. This set of stings will focus on businesses or their employees that sell alcohol to intoxicated persons. Agents will escort an actor who plays the part of an intoxicated customer to 100 pre-selected locations in each of the three targeted areas. The three areas are Dallas-Fort Worth, Houston and San Antonio. The agency will not file any criminal or administrative charges for violations found in this sting, as the actor is not intoxicated. In both stings, agency procedures will be followed at all times, and every effort will be made to audio and video record each attempt.

The evaluator will also complete pre- and post-tests of those attending seller-server classes to determine knowledge gained from the class. Servers who have been certified more than one year will be tested to help determine if long term knowledge was gained from the training. This testing will be conducted through the cooperation of currently licensed seller-server schools.

It will be the responsibility of the evaluator to set criteria for the study. The evaluator will receive input from the program director, other TABC employees and a representative of the Texas Department of Transportation (TxDOT) to determine the study criteria. The evaluator will, before September 1, 2000, provide the TABC with a complete written evaluation showing the effectiveness of the seller-server training program.

Shattered Dreams

TABC agents will continue to be involved in the Shattered Dreams programs across the state. Shattered Dreams is a community-based school program that brings the reality and consequences of drinking and driving home to high school students, their parents, school leaders and the community. The two-day program involves the removal of pre-determined students from the classroom by the Grim Reaper. The student's obituary is then read by volunteers and posted on the wall for the rest of the day. The removal of students from the classrooms continues to occur every fifteen minutes for the rest of the school day. These students become the living dead. They are dressed in black with white face paint and returned to class. They are not to talk or communicate with anyone for the rest of the school day.

At mid-morning, a mock accident is conducted near the school. The mock accident shows students first-hand the tragedy of an alcohol-related crash. Students involved in the mock accident are made to appear as they would in a real crash. One student is identified as a drunk driver. This student is taken through the process as if it were real. Likewise, students

injured in the mock accident are taken to local hospitals and made to feel the complete impact of the accident.

At the end of the first day, students involved in the mock accident and those students listed as the living dead are taken to an off-school campus site for an overnight retreat. At the retreat, the impact of the day's activity are discussed and guest speakers present programs to the students. The day ends with the students writing letters to their parents telling them how the day has have affected their lives.

Day two consists of an all school assembly showing video highlights of the previous day's activities. Students share their feelings and emotions concerning drinking and driving. Local leaders give testimony as to the dangers of drinking and driving with support being shown from the public and school administration.

Youth Alcohol Enforcement Workshops for Police Managers

The goals of the Youth Alcohol Enforcement Workshop for Police Managers are to help law enforcement agencies come together as a local team to combat alcohol abuse and provide these teams with information on successful programs that are being used in Texas and other states. The workshop curriculum and concept were first developed by the International Association of Chiefs of Police and the National Highway Traffic Safety Administration (NHTSA).

In October 1997, representatives from the TABC, NHTSA, Itawamba Community College in Fulton, Mississippi and the Governor's Office of Community and Highway Safety of Arizona met and updated the Youth Alcohol Enforcement Workshop curriculum and included new Texas state laws. In December 1997, NHTSA, in conjunction with the Arlington Police Department, conducted a workshop in Arlington, Texas and the response was very good. A copy of the entire curriculum can be provided upon request.

Notebooks for the participating officers are provided as part of the training. The class will last eight hours in a one-day session. The program is an interactive program which will encourage the participation of the officers.

Four workshops will be conducted around the state. The locations will be Austin, Waco, Galveston and McKinney.

Minor Sting Training Tape

The TABC received a grant in 1999 to develop and distribute a Minor Sting Training Video for law enforcement officers. The agency worked with a professional video producer in the writing and producing of the 15-minute video that provided instructions in both on- and off-premise minor stings. The video was formatted to cover both alcohol and cigarette stings. Upon completion of the video, it was personally distributed to police agencies by TABC field agents. Over 1,500 tapes have been produced and distributed to police officers both in Texas and across the country.

The funding level for this project was \$67,000. However, it required approximately \$37,000 to complete the project. The excess funds were rolled into the Underage Drinking Hotline.

Underage Drinking Hotline

In November 1999, the Criminal Justice Division allowed TABC to change the focus of the grant it had received to produce and distribute a Minor Sting Training Video. Using \$30,000 in unused dedicated funds from the video project and working with the Sherry Matthew's Advertising Agency, Texas Department of Transportation and three privately-owned bill board companies the agency was able to develop and promote the Underage Drinking Hotline. The hotline number, 1-888-THE-TABC, was placed on over 250 bill boards across the state and has resulted in an average of 120 calls per month reporting the illegal use of alcohol. A professional answering service that handles over 40 crime stopper lines has been used for the project and has added to the success of the program.

In addition to the bill board space being donated, the TABC received support in the printing and graphic work of over 120,000 posters that were designed to promote the hotline. TABC agents distributed the posters to high schools and businesses all over the state. Likewise, business cards with the hotline information have been distributed. The grant funding for this program will end the last day of February, but the program continues to be a positive program for the agency.

Project SAVE

Project SAVE (Stop Alcohol Violations Early) is a school-based alcohol prevention program developed by the TABC. The program is offered to students in fourth through ninth grades and teaches children not only to avoid alcohol because it is illegal for them to drink, but also instructs the students on methods to refuse the beverages and avoid situations where alcohol may be present. Project SAVE instructors equip children with the necessary skills and tools to resist pressure to drink by peers, adults, society and their community. These tools have been tested by children and are proven to work in real life settings.

The message is delivered by TABC agents experienced in liquor law enforcement who present a realistic picture of the consequences of the illegal underage drinking. These instructors are certified peace officers who have been specifically selected to instruct Project SAVE because of their exemplary dedication to children. They undergo a rigorous training period and are thus highly qualified to instruct the SAVE program. The participants in a SAVE program also have the added benefit of asking questions of instructors with years of experience in handling alcoholic beverage violations by minors.

Operation Safe Prom/Safe Graduation

Operation Safe Prom/Safe Graduation is conducted in the months of April and May as an effort to deter underage alcohol violations that often occur in conjunction with high school proms and graduations. As part of this annual campaign, proclamations are secured from local officials. The TABC identifies high school prom/graduation ceremonies across the state. Agents work parking lots and contact sponsors during the events to make sure the event is

alcohol free. Local high schools are notified of the intent prior to the event and endorsement of agency efforts are publicized in the school announcements, newspaper articles and other means available. Agents visit local hotels that will be the host of prom celebrations or the site of a graduation party and advise the management that these locations will be targeted during the coming months. A statewide news release announcing the campaign is distributed. Each district office is encouraged to hold a local press conference in their area.

Power Camps

The TABC, in conjunction with Texas Mothers Against Drunk Driving (MADD), have determined that education is a major factor in reducing crashes that are alcohol-related for persons under the age of 21. To alter the way a person under 21 confronts the problem, they must learn how to face challenges from their peers, the legislature, local officials and sometimes their family to change attitudes and beliefs. Youth Power Camps can help to build strong leaders that will take the message of not drinking until you're 21 and not drinking and driving back to their homes, schools and communities. Many programs work on the enforcement of alcohol-related laws, most of these programs are used to solve the short-term violation, but they have little impact on the long-range attitudes of minors. Youth Power Camps will work to change those attitudes by developing those under 21 as positive leaders.

Operation Fake Out

Operation Fake Out is a joint operation which brings local law enforcement and TABC agents together to identify persons using false identification to obtain or attempt to obtain alcoholic beverages. Law enforcement officers saturate a predetermined area that is known to cater to underage persons. Officers work in conjunction with retailers to identify offenders. At the same time, officers train retailers on what to watch for in the screening of fake ID's. They also work with federal and state officers to determine where the fake ID's are being manufactured.

APPENDIX I

**INTERNAL POLICY ON HISTORICALLY UNDERUTILIZED
BUSINESSES**

Internal Policy on Historically Underutilized Businesses

It is the policy of the Texas Alcoholic Beverage Commission (TABC) to comply with Article IX, Section 111 of the General Appropriations Act, House Bill 1, 74th Legislature R.S. (1995), the General Services Commission's (GSC's) adopted HUB rules, 1 TAC 111.11- 111.24 and section 1.03(1) of Article 601b, V.T.C.S. in order to encourage the use of historically underutilized businesses (HUBs) and to achieve these goals through the use of race, ethnic, and gender neutral means. The goal of this program is to promote full and equal business opportunity for all businesses in the agency's contracting.

In accordance with this policy, and based on GSC's adopted rules to implement the State of Texas Disparity Study, the TABC will make a good faith effort to utilize HUBs in contracts for commodities, services, professional and consulting services and construction by contracting directly with HUBs or indirectly through subcontracting opportunities. The TABC shall make a good faith effort to assist HUBs in receiving a portion of the total contract value of all contracts that the agency expects to award in a fiscal year in accordance with the following percentages: 1) 12.6% for commodities contracts; 2) 33% for services contracts; 3) 20% for professional and consulting services contracts; 4) 57.2% for all special trade construction contracts; 5) 11.9% for heavy construction contracts; and 6) 26.1 for all other building construction contracts. The TABC shall make a good faith effort to meet or exceed the above goals.

The agency shall ensure it makes a good faith effort by implementing the following procedures: 1) prepare and distribute information on procurement procedures in a manner that encourages participation in state contracts by all businesses; 2) divide proposed requisitions into reasonable lots in keeping with industry standards and competitive bid requirements; 3) when applicable, assess bond and insurance requirements and design such requirements to reasonably permit more than one business to perform the work; 4) specify reasonable, realistic delivery schedules consistent with the agency's actual requirements; 5) ensure that specifications, terms and conditions reflect that the TABC's actual requirements are clearly stated and do not impose unreasonable or unnecessary contract requirements; 6) when contracts exceed \$100,000 the agency shall require contractors to make a good faith effort to award necessary subcontracts to HUBs by providing contractors with HUB subcontracting good faith guidelines, HUB goals and a referenced list of certified HUBs for subcontracting; and 7) determine whether specific agency-wide goals are appropriate because some HUB groups have not been underutilized within applicable contracting categories and should not be included in the HUB goals for that category.

The TABC will maintain and compile monthly information relating to the agency's use (by each operating division of the agency) of HUBs, including information regarding subcontractors. Additionally, the TABC shall require contractors on awarded contracts exceeding \$100,000 to report to the TABC on a quarterly basis, the identity and the amount paid to each HUB vendor to whom the contractor has awarded a subcontract for the purchase of supplies, materials, equipment and services.

The TABC shall maintain the designation of an agency HUB coordinator and the HUB coordinator and the purchasing section shall assist each division in finding, certifying, and making a good faith effort to use HUBs in accordance with the set forth policies, goals and procedures. Agency employees within each division that are engaged in recommending, requesting, or approving a particular vendor in the acquisition of goods and services and/or vehicle fleet repairs, will be held accountable for adhering to the agency's HUB policy.

Approved November 15, 1995